Industry Canada Industrie Canada

Industry Canada

Departmental Performance Report

For the period ending March 31, 2011

Minister of Industry and
Minister of State (Agriculture)

Canada

How to read this report

This Departmental Performance Report (DPR) presents the results of Industry Canada's strategic outcomes and program activities during the 2010–11 fiscal year, compared with the commitments stated in the Department's 2010–11 Report on Plans and Priorities (RPP). The report contains an introductory message from the Minister summarizing the Department's performance and the following four sections:

Section 1—Organizational Overview provides general information on the Department, contribution of organizational priorities to strategic outcomes, risk analysis and operating environment, performance summary information, and departmental expenditure profile.

Section 2—Analysis of Program Activities by Strategic Outcome includes detailed analysis of Industry Canada's performance at the program activity level by strategic outcome. Variance analysis is also provided at the program activity level between Planned and Actual financial and human resources when there is a difference of 10 percent or more. For the 2010–11 fiscal year, Industry Canada has also included results achieved under Canada's Economic Action Plan (EAP). Following new TBS guidance, a section specific to the EAP has been added at the end of Section 2, highlighting performance results for each EAP initiative under Industry Canada's responsibility.

As a result, Industry Canada's Human Resources and Financial Resources in sections 1 and 2 do not include EAP information. As well, to ensure proper comparison year-over-year, the Department has also removed Financial and Human Resources associated with the EAP from the 2009–10 figures and charts, more specifically in Section 2 under strategic outcomes two and three. For this reason, numbers in this DPR may not reflect Industry Canada's numbers in the corresponding Public Accounts, in the RPP and the 2009–10 DPR.

In response to the Public Accounts Committee (PAC) Meeting Number 15 recommendations, Industry Canada has broadened its presentation of risks in the DPR to better situate the Department's work and present a balanced and transparent performance story. Therefore, in Section 2, risk analysis is presented at the program activity level and under Canada's Economic Action Plan Section, where applicable.

The 2010–11 DPR reports on targets from the Department's approved Management, Resources and Results Structure at the program activity level. To assign performance status, we have used the following guide in accordance with instructions from the Treasury Board of Canada Secretariat:
Exceeded: More than 100 percent of the expected level of performance was achieved.
Met All: 100 percent of the expected level of performance was achieved.
Mostly Met: 80 to 99 percent of the expected level of performance was achieved.
Somewhat Met: 60 to 79 percent of the expected level of performance was achieved.
Not Met: Less than 60 percent of the expected level of performance was achieved.

Trend analysis continues to be provided, when possible and when historical data are available, to help readers establish year-over-year continuity and to better understand how Industry Canada achieves its strategic outcomes and contributes to whole-of-government outcomes. Industry Canada documents data sources and reference material for performance information and results for future reference.

Section 3—Supplementary Information includes information on the Department's financial highlights and provides links to the Department's financial statements, as well as supplementary information tables.

Section 4—Other Items of Interest, such as Information Management and Information Technology (IM/IT) and Responsibilities at Industry Canada, provides departmental contact information, as well as links to information available online.

For comparative purposes, some actual spending amounts for 2009–10 include programs that were later transferred to the Federal Economic Development Agency for Southern Ontario (FedDev Ontario).

One of the recommendations stemming from the Fifteenth Report of the Standing Committee on Public Accounts is that departments provide credible and balanced performance reports by clearly indicating where program performance was less than expected, explaining why, and discussing what steps were taken to modify program design and delivery in order to improve program performance. In response, Industry Canada improved its DPR to include program-specific risks, as well as a summary table that highlights key risks from the Corporate Risk Profile available online. Additionally, Industry Canada is including corrective actions through lessons learned at the program activity level in Section 2 of the document, in order to address issues that did not take place in the 2010–11 fiscal year as planned in the corresponding RPP.

In our continuing effort to provide Canadians with online access to information and services, we are including web links to more information and highlights. These links are numbered throughout the document and are presented as endnotes. We are committed to continuous improvement in our reporting. Should you have any comments, please contact the departmental contact listed in Section 4.

Table of Contents

Minister's Message 3

Section 1: **Organizational Overview** 5
Raison d'être 5
Responsibilities 5
Strategic Outcomes and Program Activity Architecture 6
Organizational Priorities 7
Risk Analysis 9
Summary of Performance 11
Expenditure Profile 15
Estimates by Vote 16

Section 2: Analysis of Program Activities by Strategic Outcome 17
Strategic Outcome 1: The Canadian Marketplace is Efficient and Competitive 17
Program Activity: Marketplace Frameworks and Regulations 18
Performance Summary and Analysis of Program Activity 18
Lessons Learned 19
Program Activity: Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy 19
Performance Summary and Analysis of Program Activity 20
Lessons Learned 21
Program Activity: Consumer Affairs Program 21
Performance Summary and Analysis of Program Activity 22
Program Activity: Competition Law Enforcement and Advocacy 22
Performance Summary and Analysis of Program Activity 23
Lessons Learned 24
Strategic Outcome 2: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy 25
Program Activity: Canada's Research and Innovation Capacity 26
Performance Summary and Analysis of Program Activity 26
Lessons Learned 27
Program Activity: Communications Research Centre Canada 27
Performance Summary and Analysis of Program Activity 28
Lessons Learned 28
Program Activity: Commercialization and Research and Development Capacity in Targeted Canadian Industries 29
Performance Summary and Analysis of Program Activity 29
Lessons Learned 30
Strategic Outcome 3: Competitive Businesses are Drivers of Sustainable Wealth Creation 31
Program Activity: Entrepreneurial Economy 32
Performance Summary and Analysis of Program Activity 33
Lessons Learned 33
Program Activity: Global Reach and Agility in Targeted Canadian Industries 33
Performance Summary and Analysis of Program Activity 34
Lessons Learned 35
Program Activity: Community, Economic and Regional Development 35
Performance Summary and Analysis of Program Activity 36
Lessons Learned 36
Program Activity: Security and Prosperity Partnership of North America — Canadian Secretariat 37
Performance Summary and Analysis of Program Activity 37
Lessons Learned 37
Program Activity: Internal Services 38
Performance Summary and Analysis of Program Activity 38
Lessons Learned 39

Canada's Economic Action Plan 40
EAP: Knowledge Infrastructure Program 41
Performance Summary and Analysis 42
Lessons Learned 42
EAP: Broadband Canada: Connecting Rural Canadians 42
Performance Summary and Analysis 43
Lessons Learned 43
EAP: Marquee Tourism Events Program 43
Performance Summary and Analysis 44
Lessons Learned 44
EAP: Institute for Quantum Computing 44
Performance Summary and Analysis 45
EAP: Modernizing Federal Laboratories 45
Performance Summary and Analysis 46
EAP: Community Adjustment Fund in Northern Ontario 46
Performance Summary and Analysis 47
Lessons learned 47
EAP: Other Initiatives 47
Canada Foundation for Innovation 47
Ivey Centre for Health Innovation and Leadership 48
Canada Business Network 48

Section 3: Supplementary Information 50
Financial Highlights 50
Financial Highlights Charts/Graphs 51
Financial Statements 53
List of Supplementary Information Tables 53

Section 4: Other Items of Interest 54
Organizational Contact Information 54
Information Management and Information Technology Governance (IM/IT) and Responsibilities at Industry Canada 54
Expected Results Information for Program Sub-Activities and Sub-Sub-Activities by Strategic Outcomes 54
Corporate Risk Profile Table 54

Minister's Message

Last year, Industry Canada and its Portfolio partners played a key role in advancing the Government's agenda in year two of Canada's Economic Action Plan.

Specific stimulus measures taken by Industry Canada were aimed at boosting economic development in both rural and urban communities through such initiatives as the Community Adjustment Fund delivered by FedNor in Northern Ontario; extending broadband infrastructure to underserved and unserved areas across the country through the Broadband Canada: Connecting Rural Canadians program; and supporting festivals and events in communities across Canada through the Marquee Tourism Events Program. The Knowledge Infrastructure Program supported renovation and expansion projects at post-secondary institutions across Canada. Through targeted stimulus, we helped create jobs, build communities and nurture the roots of economic recovery.

In addition to fulfilling our Economic Action Plan responsibilities, Industry Canada remained focused on helping Canadian industry productivity and competitiveness in the global economy by advancing the following strategic outcomes:

- ensuring the Canadian marketplace is efficient and competitive;
- helping science and technology, knowledge, and innovation become more effective drivers of a strong Canadian economy; and
- encouraging a competitive business environment to advance sustainable wealth creation.

The Department continued to ensure that marketplace policies promoted business and consumer confidence while fostering commercialization and the knowledge-based economy. Amendments to the *Weights and Measures Act* and the *Electricity and Gas Inspection Act* were introduced to protect Canadian consumers from inaccurate measurement at gas pumps and other places where goods are measured. Canada's Anti-Spam Legislation, which helps protect the online marketplace, was also passed, and a review of federal support for business-focused research and development was initiated to get the most out of taxpayer-funded investments.

Cultivating an environment for job creation, growth and competitiveness, both domestically and internationally, remains a priority for Industry Canada. We will work to improve cost-effectiveness and efficiency, contributing to the Government of Canada's priority to balance the budget and achieving real results for all Canadians.

It is my pleasure to present Industry Canada's Departmental Performance Report for 2010–11.

Christian Paradis
Minister of Industry and Minister of State (Agriculture)

Section 1: Organizational Overview

Raison d'être

Mission

Industry Canada's mission[1] is to foster a growing, competitive, knowledge-based Canadian economy. The Department works with Canadians throughout the economy, and in all parts of the country, to improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build an efficient and competitive marketplace.

Mandate

Industry Canada's mandate[2] is to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

The many and varied activities Industry Canada carries out to deliver on its mandate are organized around three interdependent and mutually reinforcing strategic outcomes, each linked to a separate key strategy. The key strategies are shown in the illustration below.

The Canadian Marketplace is Efficient and Competitive

Advancing the marketplace:

Industry Canada fosters competitiveness by developing and administering economic framework policies that promote competition and innovation; support investment and entrepreneurial activity; and instill consumer, investor and business confidence.

Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Fostering the knowledge-based economy:

Industry Canada invests in science and technology to generate knowledge and equip Canadians with the skills and training they need to compete and prosper in the global, knowledge-based economy. These investments help ensure that discoveries and breakthroughs take place here in Canada and that Canadians realize the social and economic benefits.

Competitive Businesses are Drivers of Sustainable Wealth Creation

Supporting business:

Industry Canada encourages business innovation and productivity because businesses are the organizations that generate jobs and wealth creation. Promoting economic development in communities encourages the development of skills, ideas and opportunities across the country.

Responsibilities

Industry Canada is the Government of Canada's centre of microeconomic policy expertise. The Department's founding legislation, the *Department of Industry Act*,[3] established the Ministry to foster a growing, competitive and knowledge-based Canadian economy.

Industry Canada is a department with many entities that have distinct mandates, with program activities that are widely diverse and highly dependent on partnerships. Industry Canada works on a broad range of matters related to industry and technology, trade and commerce, science, consumer affairs, corporations and corporate securities, competition and restraint of trade, weights and measures, bankruptcy and insolvency, intellectual property, investment, small business and tourism.

Strategic Outcomes and Program Activity Architecture

This DPR reflects the Program Activity Architecture (PAA) outlined in the 2010–11 RPP. The PAA depicts the Department's programs and activities in a logical and hierarchical relationship to each other and to one of three strategic outcomes. As begun with the 2009–10 Estimates cycle, the resources for Program Activity: Internal Services are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates.

Industry Canada's 2010–11 Program Activity Architecture
(Including Industry Canada Economic Action Plan initiatives)

Internal Services

The Canadian Marketplace is Efficient and Competitive	Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy	Competitive Businesses are Drivers of Sustainable Wealth Creation
Marketplace Frameworks and Regulations	**Canada's Research and Innovation Capacity**	**Entrepreneurial Economy**
• Measurement Canada • Superintendent of Bankruptcy • Corporations Canada • Paperwork Burden Reduction • Investment Review • Canadian Intellectual Property Office • Internal Trade Secretariat	• Government Science and Technology Policy Agenda • Science, Technology and Innovation Council Secretariat • *Knowledge Infrastructure Program** • *Institute for Quantum Computing**	• Canada Small Business Financing • Services to Business • BizPal • Small Business Internship (formerly Student Connections) • Small Business Growth and Prosperity
Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy	**Communications Research Centre Canada**	**Global Reach and Agility in Targeted Canadian Industries**
• Spectrum/Telecommunications Program (Operations and Engineering) - International Telecommunication Union Participation Program - Spectrum/Telecommunications Management and Regulations - Regional Operations • Electronic Commerce	• Information and Communications Technologies Expertise for Regulations, Standards and Programs • Information and Communications Technologies Expertise for Other Federal Partners • Innovation and Technology Transfer • *Modernizing Federal Laboratories**	• Industry-Specific Policy, Advice and Expertise • Industry Development and Analysis • Shipbuilding Capacity Development • Industrial and Regional Benefits Policy and Program Management • *Marquee Tourism Events Program**
Consumer Affairs Program	**Commercialization and Research and Development Capacity in Targeted Canadian Industries**	**Community, Economic and Regional Development**
• Consumer Information • Consumer Policy and Non-Profit Consumer and Voluntary Organizations Contributions Program	• Industry-Specific Policy and Analysis for Innovation and Research and Development Investment • Innovation Capacity in the Automotive Industry • Research and Development Capacity in the Aerospace Industry • Strategic Aerospace and Defence Initiative • Program for Strategic Industrial Projects • Technology Partnerships Canada – Research and Development Program	• Federal Economic Development Initiative for Northern Ontario (FedNor) - Community Futures Program - Northern Ontario Development Program - Eastern Ontario Development Program** • Linguistic Duality and Official Languages • Canada-Ontario Municipal Rural Infrastructure Program** • Ontario Municipal Rural Infrastructure Top-Up Program** • Computers for Schools • Community Access Program • Ontario Potable Water Program** • Brantford Greenwich-Mohawk Remediation Project** • Canada Strategic Infrastructure Program** • Building Canada Program** • *Community Adjustment Fund in Northern Ontario** • *Broadband Canada: Connecting Rural Canadians**
Competition Law Enforcement and Advocacy		
• Competition Law Enforcement • Advocacy in Favour of Market Forces		
		Security and Prosperity Partnership of North America — Canadian Secretariat

Strategic Outcomes
Program Activities
Program Sub-Activities and Sub-Sub-Activities

* Designates Economic Action Plan Items
** Designates programs transferred to the Federal Economic Development Agency for Southern Ontario

Organizational Priorities

The achievements highlighted below correspond to commitments indicated in the 2010–11 RPP.

To assign an appropriate performance status, we have used the guide as outlined in "How to read this report" section of this document found on page 2.

Priority 1:	Type:	Strategic Outcome(s):
Advancing the marketplace	Previously committed to	The Canadian Marketplace is Efficient and Competitive

Ensure marketplace policies help promote competitive markets and instill consumer confidence

Status: Met All

- In an effort to modernize key marketplace framework policies, consultations for the proposed regulations for the *Canada Not-for-Profit Corporations Act* were held in spring/summer 2010. These consultations were held to strengthen the Department's commitment to protect consumers by including consumers in public consultations.
- Industry Canada continued to improve on the Newly Updated Automated Name Search (NUANS)* services, thereby improving business efficiency.
- Amendments to the *Weights and Measures Act* and the *Electricity and Gas Inspection Act* (to improve measurement accuracy in the marketplace and strengthen consumer protection against loss due to inaccurate measurement) received Royal Assent on March 23, 2011.
- Canada's anti-spam legislation (Bill C-28) received Royal Assent on December 15, 2010, to help protect the online marketplace. The *Fairness at the Pumps Act* was also passed to protect Canadian consumers from inaccurate measurement at gas pumps and other measurement devices.
- The Competition Bureau continued to focus on the effective implementation of the recent amendments to the *Competition Act*.
- The Department expanded tools such as the interactive Canadian Consumer Handbook,[4] a joint federal/provincial/territorial initiative, to provide consumers with information that helps them make informed purchasing decisions and meet the challenges relevant to current economic conditions.
- Industry Canada also continued to improve the protection of intellectual property (IP) rights while conducting several outreach activities.

Priority 2:	Type:	Strategic Outcome(s):
Fostering the knowledge-based economy	Previously committed to	Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Foster business innovation

Status: Met All

- Industry Canada created an investment climate that encourages the private sector to compete on the basis of its innovative products, services and technologies, and worked with the Natural Sciences and Engineering Research Council and the National Research Council's Industrial Research Assistance Program on programming to help make industry more research intensive and competitive.
- Industry Canada, with the private sector, developed the Soldier Systems Technology Roadmap and promoted the adoption and adaptation of new technologies such as Information and Communication Technologies (ICT), biotechnology and clean energy technologies.

Invest in science and technology (S&T) to enhance the generation and commercialization of knowledge

Status: Met All

- The Department worked with foreign governments to understand their systems, policies and programs in order to strengthen Canada's S&T agenda, led several outreach activities, and participated at multilateral fora (Organisation for Economic Co-operation and Development [OECD] and Asia-Pacific Economic Cooperation [APEC]) to represent Canada's science, technology and innovation (ST&I) interests and contribute to the development of research projects to further enhance Canada's policy frameworks.
- The Department worked with federal granting councils, the Canada Foundation for Innovation and Genome Canada to maximize investments and funding for higher education research.

* NUANS is an online search service that provides participating Canadian corporate law jurisdictions with information they need to reject or approve the name of a proposed corporate entity. In Canada, entities wishing to incorporate will seek to compare their proposed corporate name with existing corporate names and trademarks in order to reduce name confusion and to ensure uniqueness.

- Industry Canada provided assistance to the Science, Technology and Innovation Council (STIC) and brought forward a number of proposals in support of the *S&T Strategy: Mobilizing Science and Technology to Canada's Advantage*[5] — several of which were included in Budget 2011.
- The Department worked with aerospace industry stakeholders to encourage and promote the development and adoption of new technologies, including ICT and clean energy technologies, for aerospace applications.

Priority 3:	Type:	Strategic Outcome(s):
Supporting business	Ongoing	Competitive Businesses are Drivers of Sustainable Wealth Creation

Foster internationally competitive businesses and industries

Status: Mostly Met

- The Department continued to work with federal partners to advance trade negotiations at the World Trade Organization (WTO), supported proposed trade talks and initiatives such as the Canada–European Union Free Trade Agreement, and hosted trilateral meetings (Canada, United States and Japan) to resolve market access issues. The Department also sought clarification on Japanese standards and policies applicable to wood products.
- Departmental officials collaborated with associations, governments and industry stakeholders to enhance the recognition of Canadian industrial capabilities and to identify opportunities and address risks affecting industry competitiveness and agility within the globalized marketplace. The Department also participated in a series of meetings with the Canadian aerospace industry to explore matchmaking opportunities and promote Canadian expertise.
- In an effort to better meet the needs of the Canadian economy, Industry Canada shifted operational priorities and did not undertake an Automotive Action Plan. Industry Canada continued its work to develop key analytics and intelligence on the automotive industry, to engage actively with stakeholders on issues affecting Canada's place in an integrated North American market, and to maximize value to Canadians from agreements with General Motors and Chrysler.

Promote entrepreneurship, community development and sustainable development

Status: Met All

- To support Canadian communities and their capacity to respond to economic opportunities and challenges, Federal Economic Development Initiative for Northern Ontario (FedNor), through the Community Futures Program, delivered the second year of a five-point Community Futures Development Corporation (CFDC) Stimulus Action Plan. As a result, the Northern Ontario CFDCs were in a better position to respond to the needs of their clients and increase their lending activities.
- Industry Canada worked with its federal/provincial/territorial counterparts, as well as with other partners, to improve services and information delivered by the Canada Business Network. This is an ongoing effort to assist Canadian small businesses with their business information requirements.
- 80 to 85 percent of Canada Small Business Financing Program borrowers obtained some degree of incremental financial support.
- Through the Broadband Canada: Connecting Rural Canadians program, 86 contribution agreements were signed to provide $112 million to projects that will bring broadband Internet access to approximately 210,000 households.

Priority 4:	Type:	Strategic Outcome(s):
Canada's Economic Action Plan	Ongoing/ Previously Committed to	Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy; Competitive Businesses are Drivers of Sustainable Wealth Creation

Status: Met All

- The Department also continued its delivery of Canada's Economic Action Plan (EAP) initiatives, such as the Knowledge Infrastructure Program (KIP). By providing over $1.7 billion in federal funding to provinces, territories and institutions, the Department supported more than 500 renovation, repair and expansion projects to enhance the research innovation capacity at Canadian post-secondary institutions.
- Under Canada's Economic Action Plan, FedNor delivered the second and final year of the Community Adjustment Fund in Northern Ontario by supporting activities that foster restructuring, economic development, science and technology initiatives.

Priority 5:	Type:	Strategic Outcome(s):
Departmental management	Ongoing/New	All strategic outcomes

People Management (Ongoing):

Status: Met All

- Year two of the three-year People Management Strategy for Renewal and Results was implemented in 2010–11, focusing on key activities in the areas of employee engagement and renewal and leadership development. These were supported by work in the HR enabling infrastructure of HR Service and Integrity and Accountability mechanisms.

- Employee development and retention was supported with orientation sessions, stay questionnaires for new recruits, exit questionnaires, a renewed employee recognition program, full-cycle implementation of the Employee Performance Management Framework and an initiative to support corporate memory transfer (iKnow), as well as supporting and assisting employees' training and development.

Financial Management (New):
Status: Met All

- A number of measures were put in place in 2010–11 to improve the reliability and timeliness of forecasts, including the following:
  - Targets were developed for all executives, requiring them to stay within 5 percent of their September 2011 forecast and within 2 percent of their December 2011 forecast. The targets effectively provided an added incentive for executives to carefully assess their requirements and to plan accordingly.
  - Training was provided to the financial and administrative communities involved in the forecasting process.
  - Standard financial management tools and guidelines were developed and shared.
  - The financial situation was monitored monthly at the senior management table.
- Industry Canada has continued to meet the requirements under the policy on internal controls. Departments are expected to be in a state of audit readiness as per the policy on internal controls and, to meet this objective, Industry Canada has mapped and tested all of its internal controls over financial reporting.

Internal Audit (New):
Status: Met All

- The internal audit function at Industry Canada adhered to the approved risk-based plan for 2010–11 and achieved the intended coverage in order to provide assurance to senior management and the Departmental Audit Committee which informs decision making.

Procurement and Materiel Management (New):
Status: Mostly Met

- Industry Canada launched the quality assurance and monitoring of procurement review activities throughout the Department to identify gaps and opportunities for improvement in procurement activities in order to strengthen procurement and materiel management.
- Industry Canada continues its efforts to streamline the delegation of contracting authority throughout the Department with an objective of reducing the overall number of contracting delegations.

Business Continuity (New):
Status: Mostly Met

- A departmental inventory of emergency management plans was created and the existing departmental Business Continuity Plan (BCP) governance was reviewed to ensure alignment with government-wide requirements for emergency management.
- The Business Continuity Renewal Project Plan was developed and identified a three-phase approach to ensure the availability of critical departmental services and products in the event of a disaster. Only Phase I was completed on schedule. It included a Project Plan, Business Impact Analysis User Guide and an automated Business Impact Analysis Form along with training and awareness to support the project. Phase II involved developing a departmental Business Impact Analysis exercise, which was completed in June 2011. Phase III includes a departmental BCP exercise, as well as recovery strategies, and will be completed by October 2011.
- Emergency Management Products were developed to support additional training and awareness for departmental employees in the event of an incident requiring a building evacuation, temporary or permanent building closure.

Risk Analysis

Operating Environment

During the past year, the economic recovery in Canada gained momentum. Many governments moved to complete stimulus projects and have since announced measures to curtail new spending. In Canada, the related challenges had mainly led to a significant loss of wealth for Canadian consumers and Canadian businesses. Through many initiatives, whether through existing departmental programs or through Canada's Economic Action Plan, Industry Canada continued to monitor the performance of the economy and develop the capacity of priority sectors and industries. The Department also concluded its participation in the most recent strategic review exercise; aligned resources to increase R&D and innovation capacity in targeted sectors; and supported skills development to ensure that businesses have the tools they need to grow and prosper over the long term.

As the recovery gained strength, higher demand led to increased commodity and energy prices, which raised concerns about prices for basic necessities such as food and gasoline and about the impact of these price increases on consumers and businesses. These factors, as well as the following key areas, formed Industry Canada's operating context for 2010–11 and played an important role in the Department's delivery of its plans and priorities.

Canada's Economic Action Plan

The Government successfully implemented year two of Canada's Economic Action Plan (EAP), with Industry Canada managing over eight EAP initiatives. These initiatives provided short-term stimulus and supported longer-term innovation, which will position the Canadian economy to excel in the future. In addition, several EAP initiatives in the Department's portfolio complemented other departmental priorities, such as the implementation of the Science and Technology Strategy. Key accomplishments included the signing of 86 contribution agreements through the Broadband Canada: Connecting Rural Canadians program to provide $112 million to projects that will bring broadband Internet access to approximately 210,000 underserved and unserved Canadian households and improve connectivity for citizens and businesses; delivering support through the Marquee Tourism Events Program (MTEP) to 47 festivals and events in communities across Canada; and delivering funding to provinces, territories and institutions through the Knowledge Infrastructure Program (KIP) to support Canadian S&T projects.

In the fall of 2010, the deadline for the KIP was extended. Industry Canada will continue to report on this initiative as well as Broadband Canada, which continue into the next fiscal year. The timely, targeted nature of the EAP programs required large expenditures under tight timelines, something that Industry Canada managed while mitigating risks through effective stewardship measures such as robust management and financial control frameworks; monitoring, review and oversight of initiatives through ongoing and ad hoc governance bodies; and third-party due diligence reviews. Risks related to the KIP and Broadband Canada will continue to be monitored through Industry Canada's Corporate Risk Profile, and additional reporting will occur as program spending winds down.

Competitive Marketplace

Over the course of the year, Industry Canada advanced a number of actions to ensure a fair and competitive Canadian marketplace. The Department played a role in advancing competition within the telecommunications sector by removing foreign ownership restrictions on Canadian satellite companies to provide Canadian firms with access to funds, knowledge and expertise needed to compete. Industry Canada has launched consultations on policy and technical frameworks to auction spectrum in the 700 and 2500 MHz bands. The Department will use those consultations to design a spectrum auction that ensures effective and efficient use of the radio frequency spectrum. The Department also worked with Canadian Heritage to introduce proposed legislative amendments to modernize the *Copyright Act*.

Innovation

In 2010–11, Industry Canada continued to support the competitiveness of specific industries hard hit by the recession through investments in the innovative capacity of firms in the automotive, shipbuilding, aerospace and defence industries. The Department also helped to launch the Review of Federal Support to Research and Development (R&D), an independent panel of experts assessing federal support to business R&D. The results of the R&D review will be used to increase the efficiency and impact of federal expenditures on science and technology (S&T) and innovation policies.

Engagement with Partners and Stakeholders

To mitigate operating risks, Industry Canada remained committed to building strategic partnerships with other government departments, other national governments, international organizations and industry stakeholders. These relationships helped Industry Canada develop sound policies and programs.

Several Industry Canada initiatives developed over the past year included consultations with stakeholders, in particular for the development of the Digital Economy Strategy (DES) and for the R&D Review Panel. The DES consultations also included a federal/provincial/territorial ministerial meeting on the digital economy in January 2011. The Department continued to work with federal partners to advance trade negotiations at the World Trade Organization and in support of proposed initiatives such as the Canada–EU Trade Agreement. A recent key accomplishment was the completion of a number of collaborative studies through the Research Fund on North American Borders, Security and Prosperity that were presented to Canadian and U.S. stakeholders.

Consumer Interests

The challenges posed by the economic conditions of 2010–11 resulted in Industry Canada facing pressures to shift its activities towards a greater focus on the consumer basics of buying and saving. The Department published an online video to provide consumers with basic buying tips, focusing primarily on elements to consider before and after a purchase, and to encourage consumers to contact their governments for additional information. The Department, through the Competition Bureau, also identified flexible and cost-effective ways to increase compliance with consumer protection laws across the country, helped improve the consumer voice in policy-making, and continued to focus on protecting consumers from fraud, particularly through the Competition Bureau's leadership in the Fraud Prevention Forum and its participation in Fraud Prevention Month.

Risk Management

As part of its continued efforts to advance Integrated Risk Management, Industry Canada identified the corporate risks that had the potential to impact the Department's ability to achieve its mandate and strategic outcomes in its 2010–11 Corporate Risk Profile (CRP). Also, in 2010–11, Industry Canada improved its corporate risk profiling by focusing attention on program risks as part of a comprehensive risk management approach. The CRP process included the development, implementation and ongoing monitoring of mitigation strategies and action plans to ensure Industry Canada's risks were effectively managed. In response to the 15th Public Accounts Committee recommendations, Industry Canada has broadened its presentation of risks in the DPR to better situate the Department's work and present a balanced and transparent performance story.

The Department also continued its rigorous management of risks related to the implementation of Industry Canada's Economic Action Plan (EAP) initiatives. Industry Canada was recognized by the Office of the Auditor General for its ongoing monitoring, mitigation and reporting of risks associated with its EAP initiatives.

The 2010–11 CRP identified the following five corporate risk categories for the Department: economic action plan program delivery, spectrum and telecommunication frameworks and regulations, reputational and stakeholder expectations, organizational adaptability, and innovation. Under each of these categories, a number of priority departmental risks were identified. Details on these risks and their associated mitigation strategies can be found in Section 2 of this report, under the appropriate program activity. A Corporate Risk Profile table is also included in Section 4 to provide better linkages to identified risk categories.

Industry Canada continues to update its Corporate Risk Profile as well as identify, monitor and mitigate corporate risks that may affect the Department's ability to achieve its expected results and deliver its mandate.

Summary of Performance

Industry Canada's Financial and Human Resources

The following two tables present Industry Canada's total financial and human resources for 2010–11, including resources associated with Canada's Economic Action Plan.

2010–11 Financial Resources ($ millions)*

Planned Spending	Total Authorities	Actual Spending
2,448.6	2,534.3	2,055.0

* Financial Resources represent the sum of the total line for program activities and Internal Services.

2010–11 Human Resources (full-time equivalents)*

Planned	Actual	Difference
5,279	5,617	338

* Overall, the Department's full-time equivalents (FTEs) decreased by 65, compared with the Actual Human Resources in the 2009–10 DPR, which reported 5,682 FTEs for the Department. The variance between this year's Planned and Actual FTE numbers is the result of improvements in the methodology used. Detailed information and FTE variance explanations are provided in Section 2 at the program activity level when differences are 10 percent or greater.

Summary of Performance by Strategic Outcome

Strategic Outcome 1: The Canadian Marketplace is Efficient and Competitive

Performance Indicators	Targets	2010–11 Performance
Barriers to competition (Organisation for Economic Co-operation and Development [OECD] assessment of accessibility to Canadian market)	Maintain or improve 6th place ranking*	**Performance Status:** Mostly Met Based on 2008 measure of the OECD Product Market Regulation (PMR) indicators, Canada was ranked as the 5th most inaccessible market among OECD countries. In the 2003 PMR report, Canada ranked 11th.[6] Canada's fall in ranking is primarily attributed to increased barriers to entry in services. The trend in this result is declining. (Raw score** in 2003: 2.00; and in 2008: 2.09. The decline is in 3 out of 4 areas of barriers to competition: legal barriers, barrier to entry in network sectors and barriers to entry in services.)***
Number of days taken to register a new company	3 days	**Performance Status:** Somewhat Met The process of registering a new company in Canada takes 5 days.[7] The number of days taken increased from 3 (2004–08) to 5 (2009–10) due to the combining of two applications process into a new integrated system and remains unchanged in 2010–11. Though registration days have increased, the process of registration has been streamlined to one simple registration process. Additionally, with a pre-reserved company name, registration can be completed within a day.[8] There is no change between this year's result and last year's.

* The indicator is measured by the OECD every five years, with the next update scheduled for 2013. For the indicator, a rank closer to first indicates higher barriers to competition. The shift from 11th rank in 2003 to 5th in 2008 indicates that Canada moved from having the 11th-highest barriers to competition among OECD countries to 5th-highest barriers, resulting in a decline in performance.

** The raw score is based on the unweighted average of the four barriers to competition. The raw score is positioned on a scale from 0–6, where 6 represents higher barriers to competition.

*** The 4th area of barriers to competition is Anti-Trust Exemptions.

Program Activity	2009–10 Actual Spending ($ millions)	2010–11 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Marketplace Frameworks and Regulations	43.2	64.1	66.1	210.0*	40.3**	Economic Affairs: A Fair and Secure Marketplace
Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy	110.4***	87.1	87.2	95.2	91.0	
Consumer Affairs Program	5.1	4.6	6.0^	5.2	5.0	
Competition Law Enforcement and Advocacy	47.7	45.4	46.7	47.3	45.6	
Total	**206.5*** **	**201.3**	**206.2**	**357.7***	**182.0***	

* The Canadian Intellectual Property Office (CIPO) accounts for $153.8 million of the Total Authorities figure. CIPO is an organization within Industry Canada that is funded entirely by the revenue it generates. Total Authorities in this table include the surplus that CIPO has accumulated since its creation in 1994 as well as deferred revenues.

** The variance between Planned and Actual Spending is driven by several factors such as the following: net income from operations generated by CIPO was higher than expected; major capital projects were deferred to future years; and the actual level of investment in maintaining CIPO's existing IT infrastructure has been less than forecasted. In addition, an amount of $2 million included in Planned Spending for the *Weights and Measures Act* was not spent because Bill C-14 received Royal Assent only on March 23, 2011.

*** This spending mostly occurred in the Program Activity: Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy. There was also a misalignment in 2009–10, which resulted in Actual Spending being overstated in regards to Broadband and Regional Spectrum.

^ The Office of Consumer Affairs (OCA) Planned Spending in 2010–11 included a temporary allocation of $1.4 million for the implementation of Canada's anti-spam legislation. In the 2010–11 Supplementary Estimates, the OCA only received $250,000 for this initiative, and $200,000 per year going forward; the remainder was allocated to the following program activities: Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy; and Competition Law and Advocacy.

Strategic Outcome 2: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Performance Indicators	Targets	2010–11 Performance
Innovation Index (measure of the adoption of new technology, and the interaction between the business and science sectors)	Maintain or improve 12th place ranking	**Performance Status:** Met All Canada maintained its ranking at 11th place in innovation out of 142 countries.[9] The World Economic Forum's Innovation Index includes capacity for innovation, quality of scientific research institutions, company spending on R&D, university–industry collaboration in R&D, government procurement of advanced technology products, availability of scientists and engineers, and utility patents. This result is equal to the 2010–11 result, which covers the 2009–10 time period, where Canada ranked 11th out of 139 countries.
International ranking of Canada in university–industry collaboration in R&D	Maintain or improve 2nd place ranking[10]	**Performance Status:** Met All Canada achieved a 2nd place ranking* out of 10 comparator countries in university–industry collaboration in R&D.[11] This result is an improvement over 2007 results when Canada ranked 3rd. Canada ranked 2nd from 2003 to 2006.
Number of people working in Research and Development (R&D) of total employment numbers	8 per 1,000	**Performance Status:** Exceeded Total R&D employment for 2007 was 13.4 per 1,000. This is up from 13.3 in 2004–05. **[12] Data have not been released for 2010-11; therefore a trend analysis is not currently available.

* Germany and Spain, the previous holders of 1st and 2nd place (respectively) in the index, have not released official data as of June 2011. Preliminary data suggest that Spain's Industry R&D expenditure will fall by greater than 1 percent. This will cause Canada to rise to its 2nd place ranking.[13]
** This measure differs from previous years as it encompasses total employment of R&D personnel per 1,000. This measure is more representative of its respective performance indicator. Previous years measured the proportion of total researchers per 1,000.

Program Activity	2009–10 Actual Spending ($ millions)	2010–11 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Canada's Research and Innovation Capacity	263.1	307.3	248.6	251.5*	255.9*	Economic Affairs: An Innovative and Knowledge-based Economy
Communications Research Centre Canada	45.9	39.1	39.1	43.4**	43.9**	
Commercialization and Research and Development Capacity in Targeted Canadian Industries	277.7	294.5	295.0	399.6***	247.0***	
Total	**586.7**	**640.8**	**582.7**	**694.5**	**546.8**	

* The variance between Total Authorities and Actual Spending is due to a misalignment of planned spending and expenditures, where approximately $5 million was allocated to Internal Services in the 2010–11 Planned Spending rather than this program activity. Mid-year review ensured that expenditures were properly coded. The issue has been resolved for the 2011–12 fiscal year.
** Additional funding has been received in-year through the 2010–11 Supplementary Estimates to maintain Shirley's Bay Campus infrastructure and operational requirements.
*** Total Authorities include additional funding received during the year through the 2010–11 Supplementary Estimates of $90 million in repayable contributions from Technology Partnerships Canada (TPC) and $22.5 million for the Bombardier CSeries Program. The variance between Authorities and Actual Spending is the result of delays in large-scale R&D projects. Approval has been received to defer funding to future years to better match the cash requirements of recipients in two programs: TPC/Strategic Aerospace and Defence Initiative (SADI) ($60.0 million) and Automotive Innovation Fund ($53.2 million).

Strategic Outcome 3: Competitive Businesses are Drivers of Sustainable Wealth Creation

Performance Indicators	Targets	2010–11 Performance
Percentage of gross domestic product (GDP) contributed by small and medium-sized businesses	Maintain or improve current (based on 2009 GDP levels) percentage (26%)	**Performance Status:** Met All Canadian small business accounted for 28% of GDP for 2009–10.* The trend is declining, from 2008–09 when Canadian small businesses accounted for 29%.[14]
Ratio of small and medium-sized businesses in rural vs. urban areas (defined by census subdivisions)	1:3	**Performance Status:** Exceeded The ratio of rural to urban small and medium-sized enterprises (SMEs) in Canada is 1:2.1. Rural SMEs account for 32% of total SME business activity, compared with the 68% contribution by urban SMEs.**[15] Calculated with the new methodology, the result shows no change from the previous year.

* The target, results and performance summary relate only to small businesses, defined as those with fewer than 50 employees, as opposed to SMEs, defined as those with fewer than 500 employees. BC Stats provides a breakdown of small business statistics for each province/territory and Canada-wide statistics. The data shown here are the Canada-wide statistics.

** The 2010–11 calculation for rural-urban SME ratio has changed from previous years. This is a result of a greater inclusion of data from SMEs across Canada. The new measurement is more representative of its respective performance indicator. A smaller ratio between rural and urban SMEs is more beneficial to sustainable community growth in rural areas and prosperity for all Canadians.

Program Activity	2009–10 Actual Spending ($ millions)	2010–11 ($ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Entrepreneurial Economy	135.2	104.9	104.3	109.0	106.1	Economic Affairs: Strong Economic Growth[16]
Global Reach and Agility in Targeted Canadian Industries	59.6	56.4	56.0*	61.5	51.3*	
Community, Economic and Regional Development	320.7	51.5	82.5	97.9	96.9	
Security and Prosperity Partnership of North America — Canadian Secretariat	1.1	2.2	2.2	1.8	0.0**	International Affairs: A Strong and Mutually Beneficial North American Partnership[17]
Total	**516.6**	**214.9**	**245.0**	**270.1**	**254.4**	

* The variance is due to a reprofile of $7 million in Structured Financing Facility Program from 2010–11 to 2013–14 to ensure program integrity until federal procurement of ships begins, which will lead to new builds in 2013–14.

** A misalignment of funds has resulted in Actual Spending for this program activity being coded to Internal Services ($1.03 million). The Security and Prosperity Partnership of North America ended in 2010–11, leading to lower Actual Spending as the program ramped down.

Program Activities Supporting All Strategic Outcomes

Program Activity	2009–10 Actual Spending ($ millions)	2010–11 ($ millions)			
		Main Estimates	Planned Spending	Total Authorities*	Actual Spending
Internal Services	177.8	92.6	92.6	163.0	161.6
Total	**177.8**	**92.6**	**92.6**	**163.0**	**161.6**

* The Department receives a part of its core operating budget in Supplementary Estimates through a funding model by which Industry Canada accesses repayable contributions collected in the previous year. To ensure the timely progress of program activities, Internal Services advances the funding to all other programs and replenishes itself when Supplementary Estimates receive Royal Assent.

Canada's Economic Action Plan	2009–10 Actual Spending ($ millions)	2010–11 ($ millions)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
EAP	1,080.0	1,263.9	1,322.1	1,049.1	910.2
Total	**1,080.0**	**1,263.9**	**1,322.1**	**1,049.1***	910.2

* A result of the Government's decision to extend the program deadline for key infrastructure programs to October 31, 2011, funding totalling $250.1 million was reprofiled to 2011–12.

Expenditure Profile

Canada's Economic Action Plan

Industry Canada continued its contribution to Canada's Economic Action Plan in fiscal year 2010–11. A significant portion of the Department's EAP resources was used to support S&T, knowledge and innovation, which helped position the Canadian economy to continue gaining momentum and strength in the current global economic context. This was accomplished through initiatives such as the Knowledge Infrastructure Program, the Canada Foundation for Innovation, the Marquee Tourism Events Program and other EAP initiatives under Industry Canada's umbrella. The following table highlights EAP initiatives, including their Total Authorities and Actual Spending, for the full year 2010–11.

Financial Resources in 2010–11 ($ millions)

EAP Initiative	Total Authorities	Total Actual
Knowledge Infrastructure Program	751.6	745.0
Canada Foundation for Innovation	50.0	50.0
Institute for Quantum Computing	17.0	17.0
Modernizing Federal Laboratories	2.2	2.2
Broadband Canada: Connecting Rural Canadians	158.4	30.0*
Marquee Tourism Events Program	41.7	41.0
Canada Business Network**	5.9	5.3
Community Adjustment Fund in Northern Ontario	21.2	18.7
Ivey Centre for Health Innovation and Leadership	1.0	1.0
TOTAL	**1,049.1**	**910.2**

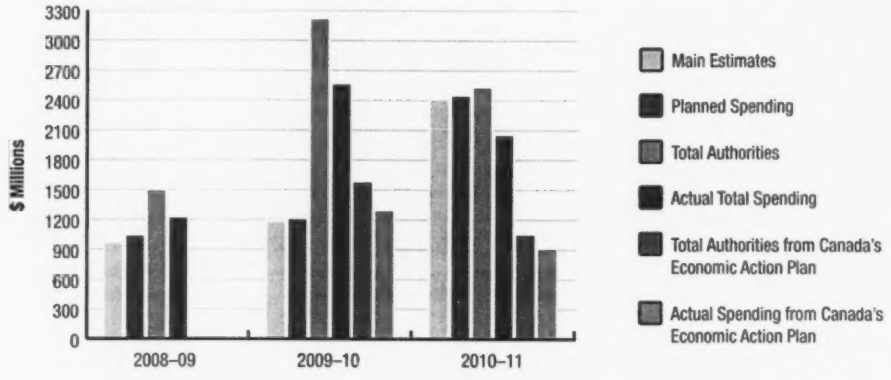
* $94.3 million was deferred from 2010–11 to future years to accommodate the high number of applications received, delays in the assessment and selection process, multi-year build seasons for remote locations, and additional costs of satellite bandwidth for future years. In addition, $7 million was accessed by the Atlantic Canada Opportunities Agency in 2010–11 to fund broadband initiatives through their Atlantic Innovation Fund.

** While the program received funding from Canada's Economic Action Plan, Canada Business Network is an ongoing program. Please refer to the Program Activity of Entrepreneurial Economy in Section 2 under Strategic Outcome 3: Competitive Businesses are Drivers of Sustainable Wealth Creation.

Departmental Spending Trend

Industry Canada's total actual spending, including EAP, for 2010–11 was $2.05 billion, which is less than the 2009–10 total actual spending of $2.56 billion. The Department's Operating Expenditures were $416.9 million in fiscal year 2010–11, compared with $459.2 million in 2009–10.

Departmental Spending Trends



Estimates by Vote

For information on organizational votes and/or statutory expenditures, please see the 2010–11 Public Accounts of Canada 2010 (Volume II) publication. An electronic version of the Public Accounts is available on the Public Works and Government Services Canada website.[18]

Section 2: Analysis of Program Activities by Strategic Outcome

Strategic Outcome 1: The Canadian Marketplace is Efficient and Competitive

Industry Canada strives to achieve an efficient and competitive marketplace by developing and implementing policies necessary for the functioning of a market. These include laws and regulations governing intellectual property, bankruptcy and insolvency, competition and restraint of trade, corporations and corporate governance, foreign direct investment, internal trade, weights and measures, consumer affairs, and telecommunications. These policies help the Department in its role of promoting innovation, competition and productivity, and instill business, investor and consumer confidence. This was accomplished through the following program activities:

- Marketplace Frameworks and Regulations
- Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy
- Consumer Affairs Program
- Competition Law Enforcement and Advocacy

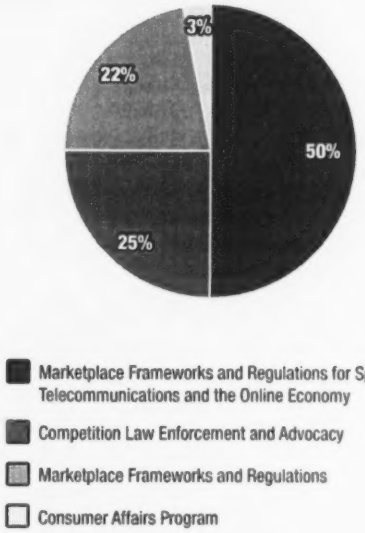
Industry Canada Success Story

In September 2010, the Competition Bureau published its Leniency Program Bulletin* outlining factors it considers when making sentencing recommendations to the Public Prosecution Service of Canada (PPSC) and the process for seeking a recommendation for a lenient sentence in a criminal cartel case. In addition, in May 2010, the Commissioner of Competition and the Director of Public Prosecutions entered into a MOU** with respect to the investigation and prosecution of offences under the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act*, and the *Precious Metals Marking Act*. The MOU, as well as the Leniency and Immunity Programs, ensure transparency and predictability for the public and are among the Bureau's best tools to combat cartels and effectively manage its programs.

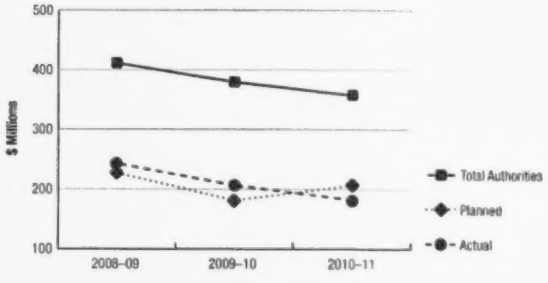
* http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03287.html

** http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03227.html

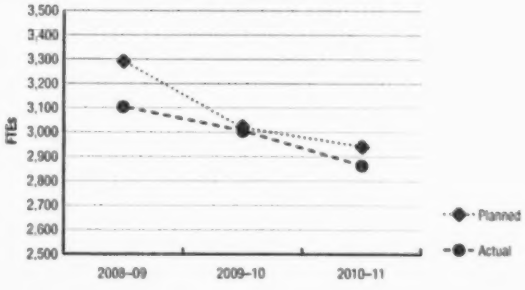
Distribution of spending by program activity in the area of The Canadian Marketplace is Efficient and Competitive



Financial Resources*



Human Resources**



* The variance between Planned and Actual Spending and Total Authorities for financial resources is mainly due to CIPO. Total Authorities include the surplus that CIPO has accumulated over the years since its creation in 1994 as well as deferred revenues. The intent is never to spend the surplus in a single year but to draw on it occasionally to fund capital investments when expenses exceed revenues. The decrease in financial resources between 2008–09 and 2009–10 is largely due to a change in the requirements for reporting on the Internal Services activity in the DPR. In 2008-09, the Internal Services resources were allocated to each of the strategic outcomes. Starting in 2009–10, Internal services was reported as a separate activity.

** The decrease in human resources between 2008–09 and 2009–10 is largely due to a change in the requirements for reporting on the Internal Services activity in the DPR. In 2008–09, the Internal Services resources were allocated to each of the strategic outcomes. Starting in 2009–10, Internal Services was reported as a separate activity.

Meeting Our Commitments
In an effort to ensure the Canadian marketplace is efficient and competitive, Industry Canada provided consumers with the opportunity to contribute to the development of government policies and to become effective marketplace participants. For example, following round table consultations across Canada and with foreign agencies, the Department has undertaken revisions to the Merger Enforcement Guidelines. The Department also continued to administer several acts, including the *Competition Act*, *Bankruptcy and Insolvency Act* and the *Investment Canada Act*.

Program Activity: Marketplace Frameworks and Regulations

Program Activity Description
This program delivers effective regulatory regimes through regulations, policies, procedures and standards for bankruptcy, foreign direct investment, federal incorporation, intellectual property, and weights and measures to the Canadian marketplace (consumers, businesses and investors), while minimizing the regulatory compliance burden on small businesses.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
66.1	210.0*	40.3**

* CIPO accounts for $153.8 million of the total authority figure. CIPO is an organization within the Department that is funded entirely from the revenues it generates. Total Authorities include the surplus that CIPO has accumulated since its creation in 1994 as well as deferred revenues. The intent is never to spend the surplus in a single year but to draw on it occasionally to fund capital investments or when expenses exceed revenues.
** The variance between Planned and Actual Spending is driven by several factors such as the following: net income from operations generated by CIPO was higher than expected; major capital projects were deferred to future years; and the actual level of investment in maintaining CIPO's existing IT infrastructure has been less than forecasted. In addition, $2 million included in Planned Spending for the *Weights and Measures Act* was not spent because Bill C-14 received Royal Assent only on March 23, 2011.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
1,780	1,729	51

Expected Result	Performance Indicator	Target	Performance Status
Marketplace fairness, integrity, efficiency and competitiveness are protected in the areas of insolvency, foreign investment, weights and measures, federal incorporation, and intellectual property	Percentage of cases for which regulatory timelines and/or service standards are met	80%	**Performance Status:** Exceeded Regulatory timelines and/or service standards are met in 87.6% of cases. This figure is represented as a percentage based on the following compliance rate: • 85% for Measurement Canada • 94.9% for Office of the Superintendent of Bankruptcy • 98.2% for Corporations Canada • 100% for Investment Review • 60% for CIPO* This is an improvement from the 2009–10 result of 86.8%.

* To address the performance status of 60%, CIPO is currently targeting a complete review of service standards, including recommendations for new measures.

Performance Summary and Analysis of Program Activity
In keeping our commitments to ensure integrity and accountability in all areas of insolvency, Industry Canada, through the Office of the Superintendent of Bankruptcy (OSB), successfully rolled out enhancements to the accountability of all parties involved in *Companies' Creditors Arrangement Act* (CCAA)[19] filings in the regions. Development of our case management and integrated name search systems was completed to allow both Canadian and international stakeholders to efficiently search key information on CCAA filings. This allowed CCAA monitors and foreign representatives to interact with the OSB more efficiently when filing regulatory forms used to populate the CCAA Registry. Stakeholders interested in researching insolvency files will save time and money as the OSB will now act as an integral source of data for CCAA filings, as it already does for *Bankruptcy and Insolvency Act* (BIA)[20] filings.

Following changes made to the *Investment Canada Act* and in an effort to improve the transparency and accountability of the foreign investment review framework in Canada, Industry Canada worked towards producing its first *Investment Canada Act* Annual Report in 2010–11. The final report will be completed in 2011–12.

Consultations for the proposed regulations of the *Canada Not-for-Profit Corporations Act* were held in spring/summer 2010, with the objective of establishing a modern governance framework for not-for-profit corporations. These consultations were approved by Treasury Board for pre-publication in *Canada Gazette*, Part I on February 26, 2011.[21]

Industry Canada addressed stakeholder requests to make the NUANS the single comprehensive source of corporate names used in all Canadian federal, provincial and territorial jurisdictions. In response to the Department's efforts, the Northwest Territories in December 2011 announced their intention to use NUANS and the province of Quebec committed to submitting their corporate name data to NUANS by the end of March 2012.

Industry Canada, through the Canadian Intellectual Property Office (CIPO), promotes awareness of the benefits of intellectual property (IP) to increase its use for Canada's economic advantage. In 2010–11, CIPO's outreach strategy focused on promoting the economic value of IP among small and medium-sized enterprises (SMEs); promoting IP awareness among post-secondary students; building partnerships among key players in a position to disseminate IP awareness, knowledge and effective use; engaging intermediaries serving exporting small and medium-sized enterprises by providing them with the necessary training; and building the necessary capacity within the CIPO to deliver the outreach strategy.

Highlights of Challenges and Risk Areas
To mitigate the potential effects of the recession on CIPO's financial position and on its ability to finance key plans/projects, CIPO increased efforts to contain costs and reduce spending.

Lessons Learned
A significant indicator for the OSB is that insolvency "Registration will be complete within two business days of receiving completed documents." OSB invested in the development of an "E-Filing" system to allow for electronic filing. This addressed the potential risk of not meeting OSB's two-business-days service standard because it would become difficult and costly for the OSB to keep manually registering insolvencies. Since June 2007, it has been mandatory that all trustees submit new summary and ordinary administration bankruptcies and proposals made under Division I and Division II of Part III of the BIA[22] electronically with the OSB using the E-Filing system.

This foresight enabled the OSB to maintain its service standards when, following the 2008 economic recession, filings started to increase. The increase reached a peak of 45 percent in 2009–10 compared with pre-recession levels and was still 30 percent higher at the end of 2010–11. Although there was an increase in workload associated with the registration of the high number of files, it was greatly lessened due to the E-Filing system.

Program Activity: Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy

Program Activity Description
This program encourages business innovation, competition and growth by ensuring that Canada develops, uses and benefits both domestically and internationally from spectrum, information and communications technologies, and the online economy. It achieves this by developing domestic regulations, policies, procedures and standards that govern Canada's spectrum and telecommunications industries and the online economy. It also develops standards, promotes global telecommunications, and helps facilitate international online trade and commerce through participation in international bilateral and multilateral forums.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
87.2	95.2	91.0

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
686	693	7

Expected Result	Performance Indicator	Target	Performance Status
Canada's radiocommunications and telecommunications infrastructure and the online economy are governed by a modern, efficient and effective policy and regulatory framework.	Percentage of policies, legislation and regulations developed, updated or reviewed and consultations conducted as identified in annual branch business plans/strategic plans/operational plans	80% of identified initiatives	**Performance Status:** Exceeded 95% of identified initiatives were completed. Information from year-to-year is not correlated, as planned initiatives are not weighted equally.

Performance Summary and Analysis of Program Activity

Industry Canada has made considerable progress in the areas of radiocommunications and telecommunications infrastructure and the online economy. The Department continued to undertake several actions to develop policies, regulations, standards and treaties to support effective spectrum management and the provision of new wireless services. Through its participation at the International Telecommunication Union (ITU), Industry Canada was able to advance Canada's position on issues related to enhancement of the international spectrum regulatory framework, assign radio spectrum to new uses and align them globally to protect investments. By doing so, the Department encouraged innovation and mitigated interference among radio users of ITU member countries. As well, in 2010–11, three cross-border frequency arrangements (treaties) for commercial and public safety services in the 700 MHz and 800 MHz bands for use by Canadians were developed in collaboration with the United States. Consultations on opening spectrum in the 28 MHz band in support of new commercial mobile systems were also held.

To enable broadcasters to bring high-definition television (HDTV) to the viewing public across the country, Industry Canada managed the technical aspects of the implementation of the Canadian Radio-television and Telecommunications Commission (CRTC) framework for the conversion of the over-the-air TV signal to a digital TV signal. The technical standards developed by the Department were accepted by industry and published in the *Canada Gazette*.[23] All applications received were processed in a timely manner, including Federal Communications Commission (FCC) coordination. The Department also held major public consultations for mobile broadband in both the 700 MHz[24] and 2500 MHz[25] bands. The 700 MHz band and the 2500 MHz band are suitable for advanced mobile and broadband networks/services and enable the mobile Internet economy in Canada. Their auctioning will help support new mobile technologies and services in the Canadian marketplace and create opportunities for Canadian wireless carriers and manufacturers.

Canada's anti-spam legislation (Bill C-28) — previously referred to as the *Electronic Commerce Protection Act* — received Royal Assent on December 15, 2010. However, pre-publication of C-28 regulations in the *Canada Gazette* was delayed by the dissolution of Parliament. *Personal Information Protection and Electronic Documents Act* (PIPEDA)[26] Amendments (C-29) were at second reading at the dissolution of Parliament for the 41st General Election. Both initiatives are aimed at providing a legislative framework to promote trust and confidence in the online marketplace.

To boost Canada's productivity and performance in the ICT sector, the Government of Canada launched an online public consultation to gather input from stakeholders on the objectives of a Digital Economy Strategy (DES)[27] for Canada. The DES, which is currently being developed, aims to ensure that Canada is well positioned to take advantage of the innovative power of digital technologies.

Highlights of Challenges and Risk Areas

To ensure Industry Canada's ability to provide basic services or implement new services to Canadians is not hindered by aging Spectrum IT systems, the Department implemented measures to ensure the systems are replaced within the next five years. Through planned upgrades, the spectrum management system will provide Canadians with a modern, efficient and effective policy and regulatory framework.

To ensure consultations for the development of a Digital Economy Strategy gathered the needed advice and feedback, and garnered support from stakeholders, the Department proactively engaged key government departments to align existing programming to support the digital economy strategy and encouraged them to direct their clients to the DES website. A comprehensive plan for targeted meetings with key stakeholders was also developed to ensure consumer interests are represented in the development of government policies.

Lessons Learned

As a result of the evaluation conducted in 2009, a Performance Measurement Strategy (PM Strategy) was developed in 2010 with the objective of enhancing reporting and evaluation of the Industry Canada–ITU program. The PM Strategy implementation is scheduled for July 2012 and will include indicators to better track and monitor the Department's annual contribution to the ITU.

Program Activity: Consumer Affairs Program

Program Activity Description

This program aims to ensure that consumers have a voice in the development of government policies and are effective marketplace participants. It is an element of the Department's consumer affairs role under the *Department of Industry Act* that directs the Minister to promote the interests and protection of consumers. There are two aspects of the program that are strongly interlinked. Priority consumer issues are identified for the development and dissemination of consumer information and awareness tools. These priorities also guide research and analysis undertaken for policy development. This program is delivered in collaboration with provincial and territorial governments, as well as not-for-profit consumer organizations.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
6.0	5.2	5.0*

* The Office of Consumer Affairs (OCA) Planned Spending in 2010–11 included a temporary allocation of $1.4 million for the implementation of Canada's Anti-Spam Legislation. In the 2010–11 Supplementary Estimates, the OCA only received $250,000 for this initiative, and $200,000 per year going forward. The remainder was allocated to the following program activities: Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy; and Competition Law and Advocacy.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
23	23	0

Expected Result	Performance Indicators	Targets	Performance Status
Consumer interests are represented in the marketplace and in the development of government policies.	Number of new outreach initiatives to assist consumers in accessing information and tools that will help them make informed purchasing decisions	1	**Performance Status:** Exceeded 2 major outreach initiatives to assist and inform consumers: a) The new interactive and mobile-friendly *Canadian Consumer Handbook*[28] was developed and launched to provide information to consumers pertaining to online security, including spam, spyware and phishing. b) A "Consumer Tips: Before and After You Buy"[29] video was published to provide information on basic buying tips. This is an improvement from the 2009–10 result of 1 outreach initiative/campaign.
	Number of government policies and/or legislation developed, updated or reviewed by the Office of Consumer Affairs	2	**Performance Status:** Exceeded 3 policies and/or legislation developed, updated or reviewed by OCA. An Order-in-Council was made designating Manitoba for the purposes of the Criminal Interest provisions of the *Criminal Code*. A similar draft Order-in-Council designating Saskatchewan for the same purposes was pre-published for public comment in Part I of the *Canada Gazette*. In addition, federal/provincial/ territorial officials presented to Deputy Ministers Responsible for Consumer Affairs a proposal for harmonizing credit reporting laws as well as a report on best practices in promoting compliance with consumer protection laws in Canada. There is no change between the 2010–11 and the 2009–10 results.

Performance Summary and Analysis of Program Activity

To aid consumers in facing the current economic climate and challenges, Industry Canada, in conjunction with the Consumer Measures Committee (CMC),[30] hosted several teleconferences to address best practices in regulatory compliance and consumer/credit reporting. As a result, a preliminary report on best practices in regulatory compliance was prepared, including information on flexible and cost-effective approaches to improving compliance with consumer protection laws. In addition, Industry Canada and the CMC launched the interactive version of the *Canadian Consumer Handbook*[31] to allow consumers to create a customized version by selecting topics of interest to them from a database of issues such as debt, credit reporting, contracts, housing and home renovations, identity theft, collection agencies, and much more. Along with consumer tips, the handbook includes a directory of useful government and non-government contacts.

The Department collaborated with the Treasury Board Secretariat in publishing the *Consumer Impact Assessment Guide*[32] to offer a framework assisting policy analysts to assess and consider consumer impacts when designing or evaluating new policies or regulations. Industry Canada also collaborated with its international partners on a variety of consumer policy projects pertaining to sustainable consumption, consumer vulnerability and electronic commerce. The Department participated in the work of the Organisation for Economic Co-operation and Development (OECD) Committee on Consumer Policy (CCP) on enhancing the effectiveness and value of environmental claims. In addition to contributing to the OECD's *Green Growth Strategy*,[33] Industry Canada also contributed to the development and publication of the *Consumer Policy Toolkit*.[34]

Highlights of Challenges and Risk Areas

Under the new anti-spam legislation, consumers and businesses may not be fully aware of their roles and responsibilities regarding spam and other online threats. Therefore, Industry Canada began development of a communications strategy to inform Canadians and to manage expectations. This will continue in 2011–12.

Program Activity: Competition Law Enforcement and Advocacy

Program Activity Description

This program is an independent law enforcement agency that contributes to the prosperity of Canadians by protecting and promoting competitive markets and enabling informed consumer choice. The Competition Bureau is responsible for the administration and enforcement of the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marketing Act*. Headed by the Commissioner of Competition, the organization investigates anti-competitive practices, promotes compliance with the laws under its jurisdiction and advocates in favour of market forces.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
46.7	47.3	45.6

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
452	418	34

Expected Result	Performance Indicators	Targets	Performance Status
Competitive markets and informed consumer choices	Dollar savings to consumers from Bureau actions that stop anti-competitive activity	$330 million	**Performance Status:** Not Met $133.3 million Estimated overcharges to consumers (or economic harm) for the duration of the infraction, prior to Bureau actions concluded in fiscal year 2009–10. This is a conservative estimate based on similar methodologies used by antitrust agencies in other countries. Criminal Matters Branch: $115.5 million Fair Business Practices Branch: $17.8 million. This is declining from the 2009–10 results where dollar savings to consumers were estimated at $281 million.
	Percentage of economy subject to market forces	82% of GDP	**Performance Status:** Met All Approximately 82% of the Canadian GDP is subject to market forces. The Bureau undertook a study of the Canadian economy, which was adjusted for sectors that are regulated and not under the purview of the *Competition Act*. There is no change between the 2010–11 and 2009–10 results.

Performance Summary and Analysis of Program Activity

Industry Canada, through the Competition Bureau (Bureau), continued to focus on the effective implementation of the amendments made to the *Competition Act*, as well as renewing its enforcement activities with a view to enhancing transparency and discharging its mandate. In an effort to provide businesses with clear guidelines and a predictable process, the Bureau released an updated *Fees and Service Standards Policy for Mergers and Merger-Related Matters*,[35] *Fees and Service Standards Handbook for Mergers and Merger-Related Matters*[36] and *Procedures Guide for Notifiable Transactions and Advance Ruling Certificates* under the *Competition Act*,[37] and has undertaken moderate revisions to the *Merger Enforcement Guidelines*. The Bureau also revised the *Enforcement Guidelines*[38] for "Product of Canada" and "Made in Canada" claims, which took effect in July 2010.

As part of its ongoing enforcement efforts targeting domestic bid-rigging, the Bureau laid criminal charges against eight companies and five individuals accused of rigging bids[39] for private sector ventilation contracts in the Montréal area. The Bureau's investigation found evidence of criminal activity in five competitive bidding processes for contracts worth approximately $8 million. In addition, Embraco North America Inc.[40] and Panasonic Corporation[41] were each fined $1.5 million after pleading guilty to criminal charges that they fixed the price of hermetic refrigeration compressors in Canada. As cartels impose higher prices for goods and services and deprive consumers of the benefits of competition, enforcement in this area results in lower prices for consumers and deters others contemplating anti-competitive behaviour.

Additionally, following the Bureau's filing of a formal challenge with the Competition Tribunal in February 2010, the Bureau reached a consent agreement[42] that fully resolved concerns regarding anti-competitive rules imposed by the Canadian Real Estate Association (CREA). As a result, real estate agents will have the flexibility to provide innovative service and pricing options to consumers, and consumers will have the ability to choose which services they want from a real estate agent when selling their home. The Bureau has already seen an emergence of new business models offering different and flexible pricing and service options.

In December 2010, the Bureau filed an application with the Competition Tribunal to strike down restrictive and anti-competitive rules that Visa and MasterCard[43] impose on merchants who accept their credit cards, alleging that the rules effectively eliminate competition between the companies, resulting in increased costs to businesses and, ultimately, consumers. Merchants in Canada pay an estimated $5 billion annually in hidden credit card fees. Visa and MasterCard operate the two largest credit card networks in Canada and together they processed more than 90 percent of all credit card transactions by Canadian consumers in 2009, representing more than $240 billion in purchases.

The Bureau also focused on the effective and timely review of mergers. In 2010–11, the Bureau received 209 merger filings and cleared over 90 percent of merger filings within the prescribed service standards[44] of each complexity level. In June 2010, the Bureau reached an agreement with IESI-BFC and WSI Services Inc.[45] to resolve the Bureau's conclusion that the merger would substantially lessen or prevent competition in the supply of commercial waste collection services in a number of markets in Canada. In addition, in July 2010, the Bureau reached an agreement with generic drug manufacturers Teva Pharmaceutical Industries Ltd. and the Merckle Group[46] (carrying on business as ratiopharm inc.), requiring divestitures to resolve the Bureau's conclusion that the merger would likely substantially lessen competition in the supply of two generic pharmaceutical products used for the relief of moderate to severe pain. Additionally, in August 2010, the Bureau reached an agreement with Novartis AG[47] to resolve the Bureau's conclusion that Novartis AG's proposed acquisition of control of Alcon, Inc. would substantially lessen competition in Canada for the supply of certain ophthalmic products. Furthermore, in January 2011, the Bureau applied to the Competition Tribunal for an order to dissolve CCS Corporation's (CCS) acquisition of Complete Environmental Inc., the owner of the proposed Babkirk Secure Landfill, in northeastern British Columbia. Following a thorough review, the Bureau concluded that by purchasing, rather than competing with the Babkirk Secure Landfill, CCS would prevent the entry of competition into the market for secure hazardous waste disposal in northeastern British Columbia. These four cases alone will likely result in estimated annual savings of $31 million for Canadians.

In its continuing efforts to protect consumers from scams and fraudulent claims, the Bureau targeted mass marketing fraud (MMF) over the Internet. Of note, the Bureau took action against a recidivist continuing to market through a Canadian Internet business, making false and/or misleading claims relating to "well-paying job opportunities" in the oil industry. Taking advantage of the vulnerability of under- or unemployed individuals during the economic downturn, this job opportunities scam[48] targeted those who were searching for employment in the oil industry and deceived Canadians and Americans into paying between $397 and $1,197 for services that were never provided, with no refunds granted. This action resulted in the arrest of the principal perpetrator and involved coordinated enforcement cooperation with the Bureau's international law enforcement partners.
The Bureau also commenced legal proceedings against Rogers Communications Inc.[49] (Rogers) to stop what the Bureau concluded were misleading advertising claims relating to Rogers' chatr discount wireless and text services. The alleged misleading and unsubstantiated claims suggested that subscribers would experience "fewer dropped calls than new wireless carriers." This advertising impacted new entrants who had only recently commenced operations following a government initiative to encourage greater competition in the wireless market in Canada. The Bureau viewed the effect of this conduct to be not only misleading to consumers, but also injurious to competition by undermining the new entrants' abilities to compete fairly in this marketplace. Following the Bureau's intervention, Rogers modified their representations.

To increase reliance on competition and to further strengthen the Canadian marketplace, the Bureau made a submission to Canadian Heritage's Review[50] of the Revised Foreign Investment Policy in Book Publishing and Distribution, recommending that foreign investment and ownership restrictions be relaxed or removed to provide a broader array of capital options in the market.

Lessons Learned

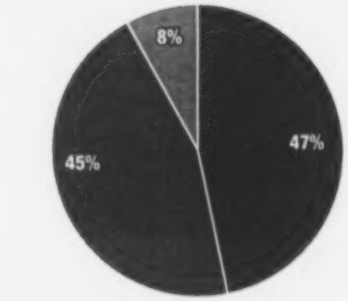
In 2007–08, the Bureau undertook an evaluation[51] of its anti bid-rigging program, which was initiated by the senior management of the Bureau and managed by the Audit and Evaluation Branch of Industry Canada. The evaluation examined the initiatives and activities put in place by the Bureau to combat bid-rigging. The evaluation provided a baseline or interim report card to be used for comparative purposes in future potential evaluations. The results of this evaluation are available online.[52] Specific initiatives undertaken in response to the evaluation included the development of an anti bid-rigging outreach strategy and the provision of anti bid-rigging training for staff at Public Works and Government Services Canada.

Strategic Outcome 2: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy

Strategic S&T investments are key drivers in rebuilding the post-recession Canadian economy. With the current global and financial context, which could hinder corporations' ability to make program repayments, Industry Canada placed increased focus on firm-level financial analysis to foster innovation and commercialization of new technologies. This is fundamental to improving Canada's overall productivity and enhancing the country's competitiveness, and was accomplished through the following Program Activities:

- Canada's Research and Innovation Capacity
- Communications Research Centre Canada
- Commercialization and Research and Development Capacity in Targeted Canadian Industries

Distribution of spending by program activity in the area of Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy



- Canada's Research and Innovation Capacity
- Commercialization and Research and Development Capacity in Targeted Canadian Industries
- Communications Research Centre Canada

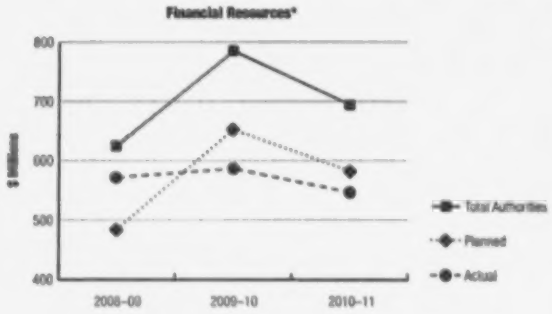
Success Story — Canada's S&T Advantages

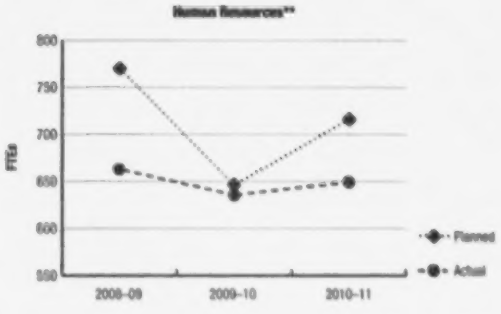
Projects funded through the Knowledge Infrastructure Program (KIP) supported efforts to foster three key Canadian S&T advantages, as outlined in the Government of Canada's Science and Technology Strategy:

1. Knowledge Advantage: Nearly $1.1 billion* in federal KIP funding has been allocated to over 140 projects supporting enhanced R&D capacity in Canadian post-secondary institutions.
2. People Advantage: More than $700 million* in federal KIP funding has been allocated to over 120 projects supporting increased training capacity in advanced knowledge areas in Canadian post-secondary institutions.
3. Entrepreneurial Advantage: Approximately $465 million* in federal KIP funding has been allocated to over 40 projects supporting the development of industry incubation facilities at Canadian post-secondary institutions.

KIP funding also provided benefits such as improved energy and enhanced campus health and safety.

* Exceeds actual KIP spending ($1.7 billion) because a project can have an impact on more than one S&T advantage.





* To ensure that readers have an appropriate year-over-year trend in Financial Resources between 2009–10 and 2010–11, the figures do not include EAP resources as indicated in the "How to read this report" section on page 2 of this document. For more information on EAP Financial Resources and Human Resources, please refer to the EAP Section of this report (page 41). Changes in financial resources between 2008–09 and 2009–10 are largely due to a change in the requirements for reporting on the Internal Services activity in the DPR that decreased planned spending; however, this is offset by further funding that was received for various programs including AIF ($59.8 million), Bombardier CSeries ($13.2 million) and SADI ($56.7 million).

** The decrease in human resources between 2008–09 and 2009–10 is largely due to a change in the requirements for reporting on the Internal Services activity in the DPR. In 2008–09, the Internal Services resources were allocated to each of the strategic outcomes. Starting in 2009–10, Internal Services was reported as a separate activity. The 2010–11 variance is due to a reorganization that resulted in a lower FTE utilization than planned.

Meeting Our Commitments
In an effort to ensure that S&T, knowledge and innovation are effective drivers of a strong Canadian economy, Industry Canada encouraged leading-edge R&D and provided value-added knowledge and expertise to enhance conditions for commercialization and innovation in targeted Canadian industries. The Department worked with the private sector, industry associations, academia and all levels of government to foster an environment conducive to innovation and scientific excellence.

Program Activity: Canada's Research and Innovation Capacity

Program Activity Description
This program activity supports the Minister of Industry in his/her responsibilities related to science and technology. It sets the strategic direction of policies and programs in support of science, technology and innovation in Canada. It works with other government departments and external stakeholders (from the private and public sectors) to foster an environment that is conducive to innovation and to promote scientific excellence and industrial competitiveness.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
248.6	251.5	255.9*

* The variance between Total Authorities and Actual Spending is due to a misalignment of planned spending and expenditures, where approximately $5 million was allocated to Internal Services in the 2010–11 Planned Spending rather than this program activity. Mid-year review ensured that expenditures were properly coded. The issue has been resolved for the 2011–12 fiscal year.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
82	83	1

Expected Result	Performance Indicator	Target	Performance Status
ST&I policy frameworks to enhance Canada's research and innovation capacity	Number of ST&I outreach activities with other government departments, agencies and external stakeholders	20	**Performance Status:** Exceeded Industry Canada led or participated in 29 key outreach activities involving other science-based departments and agencies, provincial and territorial counterparts, and stakeholders at home and abroad to advance Canada's S&T agenda and provide the Government with a strong foundation for policy development. This is an improvement from the 2009–10 result of only 21 key outreach activities.

Performance Summary and Analysis of Program Activity
To foster innovation and to ensure that Canadians benefit from scientific discoveries and innovation, Industry Canada continued to strengthen the effectiveness of its investments in S&T as outlined in the Government's S&T Strategy,[53] *Mobilizing Science and Technology to Canada's Advantage*. The Department also supported the Science, Technology and Innovation Council (STIC),[54] provided analysis and conducted research in support of STIC's State of the Nation 2010 report production. This report provided an assessment of Canada's research and innovation and measures Canada's S&T performance against international standards of excellence. The Department's contribution to STIC provided the Government with access to high-quality research and analysis.

Industry Canada worked with the granting councils to design and implement the Banting Postdoctoral Fellowship program, which will fund 70 new internationally competitive fellowships per year. The Department also commissioned an assessment from the Council of Canadian Academies (CCA)[55] on research integrity to help inform the granting agencies' renewal of the Tri-Agency Framework for Integrity in Research. The CCA's report was released publicly on October 21, 2010, and supports the changes to the tri-agency policy to promote integrity in the conduct of federally-funded research.

Industry Canada also struck an independent Ad Hoc Panel on Canada Excellence Research Chairs (CERC) Gender Issues to examine the lack of female representation in the final stages of the inaugural CERC competition. The Panel provided recommendations on April 23, 2010, on how Canada can best pursue world-class excellence in attracting and retaining top researchers through the CERC program, while seeking a field of candidates that reflects both the talented women and men among the world's top-tier researchers.

To ensure contribution towards a knowledge-based economy, the Department worked closely with TRIUMF,[56] the National Research Council (NRC) and the Canada Foundation for Innovation[57] (CFI) to ensure that short- and medium-term operating cost pressures of TRIUMF, one of Canada's major science initiatives, are addressed, and to assess how TRIUMF's new initiative to build its Advanced Rare Isotope Laboratory[58] (ARIEL) facility will complement the activities funded through the federal government's recent renewal of $222 million over the next five years.

In support of the S&T Strategy, the Department brought forward a number of proposals, including an additional $65 million for Genome Canada;[59] $80 million in new funding over three years through the Industrial Research Assistance Program to help SMEs accelerate their adoption of key information and communications technologies through collaborative projects with colleges; and $50 million over five years beginning in 2012–13 to the Perimeter Institute for Theoretical Physics to support research, education and public outreach activities.

Lessons Learned

A Horizontal Audit of Management of Funding Agreements for Single Recipient Transfer Payments was conducted in 2010–11. The audit exercise recommended improvements in documenting oversight and monitoring practices and leveraging intra-departmental collaboration to improve oversight and monitoring. Currently, the Department is preparing a management response to address the recommendations made in the internal audit.

Program Activity: Communications Research Centre Canada

Program Activity Description

This program conducts research and advanced telecommunications and information technologies to ensure an independent source of advice for public policy and to support the development of new products and services for the information and communications technologies (ICT) sector. Research projects are done through a combination of in-house activities, tasks performed for other government departments on a cost-recovery basis, and partnerships with industrial and academic organizations. The work is done to provide an insight into future technologies to assist Industry Canada in developing telecommunications policies, regulations and program delivery; to improve decision making related to ICT by other government departments; and to close the innovation gap by transferring new technologies to Canadian small and medium-sized enterprises (SMEs).

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
39.1	43.4	43.9*

* Additional funding was reallocated in-year to maintain Shirley's Bay Campus infrastructure and operational requirements.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
401	388	13

Expected Results	Performance Indicators	Targets	Performance Status
Industry Canada and other government organizations receive high-quality, research-based technical inputs to develop telecommunications policies, regulations and standards and support government operations.	Client satisfaction survey (related to content, timeliness and usefulness) related to CRC technical inputs and advice used to develop telecommunications policies, regulations, programs and standards	80%	**Performance Status:** Not Met No formal client satisfaction survey was undertaken during the year. Note: This is being changed to a more appropriate performance indicator for subsequent years.
Canadian companies use CRC-developed technologies to enhance their product lines.	Increase in total sales revenues of Canadian communications companies with a link to CRC, compared to market averages	20% (over 5 years)	**Performance Status:** Exceeded 61% according to the studies done by Doyletech Corporation[60] on the Economic Impact of Technology Transfer from CRC Because historical data are unavailable, a trend analysis is not applicable for this performance result. The next study will be done in 2015.

Performance Summary and Analysis of Program Activity

Industry Canada, through the CRC, is a key centre of excellence for ICT research in Canada and around the world and regularly provides advice and expertise in communications technologies. In June 2010, the G8 and G20 Summits were held in Toronto, and the CRC assisted with the security at both of these summits by providing 12 spectrum monitoring units with direction-finding capability for Industry Canada's Ontario region. These units were used to ensure public safety and security units could operate without interference.

In 2010–11, the CRC also provided the Department of National Defence (DND), Canadian Space Agency (CSA), Public Safety Canada and other government departments with advanced communications technology advice, demonstrations and designs to use in the development of their procurement requirements and to make available to their potential contractors. As part of a DND Technology Development Program project, CRC developed a Traffic Management System, aspects of which will be incorporated into the Navy's fleet network management requirements.

The Department, through the CRC, provides Canadian companies with access to technical innovations for industrial benefits that close innovation gaps and make them more competitive. During 2010–11, the following agreements were added to the CRC's Agreement portfolio:

- 26 new R&D contract agreements to provide technical expertise and/or to develop and transfer technology to Canadian small and medium-sized enterprises; and
- 26 new licence agreements to transfer technology to industry.

Highlights of Challenges and Risk Areas

To ensure CRC's R&D provides clients with high-quality, research-based technical inputs and sufficiently aligns with its client's strategic priorities, a review of research priorities was completed. Panels of experts were established to conduct this review, and they examined the relevance and quality of the research.

Aging campus infrastructure may affect the operations of Industry Canada and other government department partners. In response to this, a multi-year capital plan was developed to identify the resources required to address critical infrastructure problems and health and safety requirements, and to reduce ongoing repair costs.

Lessons Learned

As part of an Industry Canada CRC review in 2009–10, conducted by three external consulting groups, it was recommended that CRC undertake a set of vertical expertise reviews, consisting of periodic peer reviews of CRC core programs. In 2010–11, CRC conducted the first review on the Photonics program, which resulted in some changes such as the closure of one lab facility, reassignment of personnel to other programs, re-focusing the work of some projects as well as a reaffirmation of the technical excellence in the CRC R&D. The results have established a process to be used for the reviews to be conducted in 2011–12.

Program Activity: Commercialization and Research and Development Capacity in Targeted Canadian Industries

Program Activity Description

This program advances leading-edge R&D in targeted Canadian industries and provides value-added knowledge and expertise to enhance conditions for commercialization and innovation. Relationships required to enhance Canadian innovation are fostered among the private sector, associations, academia and all levels of government. These collaborative relationships help to advance technology transfer, spinoffs and innovation, and contribute to a skilled workforce. The Department also conducts research and analysis, often with its industry and government partners, to develop strategic information products. This research and analysis is disseminated to key decision makers and is essential when the Department advises on issues, regulations and policies affecting commercialization and R&D in targeted industries. Government investments, such as repayable contributions, to foster Canadian private sector R&D are also targeted by this program activity that, in general, ensures that Canadians and Canadian businesses benefit from an innovative and knowledge-based economy.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
295.0	399.6*	247.0**

* Total Authorities include additional funding received in-year through Supplementary Estimates of $90 million in repayable contributions from Technology Partnerships Canada (TPC) and $22.5 million for the Bombardier CSeries Program.

** The variance between Total Authorities and Actual Spending is the result of delays in large-scale R&D projects. Approval was received to defer funding to future years, to better match the cash requirements of recipients in two programs: TPC/Strategic Aerospace and Defence Initiative (SADI) ($60.0 million) and Automotive Innovation Fund (AIF) ($53.2 million).

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
249	178	71*

* In 2010–11, this program activity went through a reorganization. As a result, FTE utilization was lower than anticipated.

Expected Result	Performance Indicator	Target	Performance Status
Leveraged leading-edge research and development in targeted Canadian industries	Dollar(s) of stakeholder investment leveraged per dollar of Industry Canada investments in R&D projects	$2	**Performance Status:** Exceeded The Department leveraged $3.19 during 2010–11. This is an improvement from the 2009–10 result of $1.95.

Performance Summary and Analysis of Program Activity

Through knowledge sharing, engagement and program delivery, Industry Canada enhanced the research and development capacity of targeted Canadian industries. For example, in partnership with the NRC, Industry Canada created the Canadian HIV Technology Development component of the NRC's Industrial Research Assistance Program (IRAP). Industry Canada also promoted the Canadian Biorefinery Knowledge Network[61] and disseminated a study on the state of biorefineries in Canada and the challenges to their further development in collaboration with BIOTECanada. Key findings included the importance of identifying product markets, optimum biorefinery configuration and partnerships. The study's findings sparked discussion among stakeholders on the prerequisites for success in this sector.

The Department collaborated with the Canadian Manufacturers and Exporters (CME) to determine how manufacturers invest in innovation and the impact that will have on their future operations. As a result, Industry Canada is better able to identify the drivers of innovation from an industry perspective, which will help inform innovation policy and enhance the competitiveness of manufacturers.

Industry Canada's largest research and development program, the Strategic Aerospace and Defence Initiative (SADI), has invested more than $824 million in funding to date in strategic R&D and innovation projects. In 2010–11, Industry Canada, through SADI, invested in seven new innovative and competitive projects aimed at improving Canada's innovation capacity and the commercialization of new technology. These projects also helped foster collaboration in R&D between A&D firms and academia across the country, including the University of British Columbia, Université Laval and École Polytechnique de Montréal.

Industry Canada worked closely with its partners to promote the adoption and commercialization of new technologies. For example, in collaboration with the Department of National Defence, the Department successfully concluded the Development Phase (first of two phases) of the Soldier Systems Technology Roadmap (SSTRM).[62] Over the past two years, seven workshops were facilitated that brought together 1,550 participants from industry, academia and governments, addressing future soldier capability gaps and needs, challenges and technology solutions. During the course of 2010–11, Industry Canada was restricted to guiding the development of one TRM, rather than the planned four, as per the corresponding RPP. This is partially a result of prioritization of work, a desire to focus on the SSTRM and an internal reorganization. The Department also worked with aerospace industry stakeholders through the industry-led Future Major Platforms (FMP) initiative and the Green Aviation Research and Development Network[63] (GARDN) to promote and coordinate the development and adoption of new technologies, including ICT and clean energy technologies, for aerospace applications.

Highlights of Challenges and Risk Areas

To maintain the confidence of Canadians in its management of investments in high-risk leading-edge technology and innovation projects that generate economic and social benefits, Industry Canada implemented a combination of strong governance and oversight practices, robust risk management, recipient audit and internal audit activities and effective communication.

Lessons Learned

While recovering from tough economic times, industries are understandably reticent about investing in new R&D initiatives; however, it is imperative that Canada maintain and increase its knowledge and innovation capacity in order to compete globally. To address this issue, Industry Canada continued to implement and manage a number of initiatives that encourage and invest in innovation and R&D opportunities, such as the Automotive Innovation Fund, which was audited in 2010–11.[64] As a follow-up to recommendations, the project and program risk assessment processes, as well as file management procedures, have now been strengthened. In addition, the government also supported the development of the innovative capacity of companies in the aerospace, security, space and defence industries. This will help to ensure that the Canadian industry continues its recovery from the financial crisis and advances its innovation and R&D capacity, while promoting long-term economic growth.

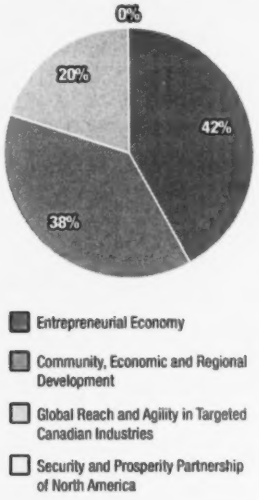
The Audit and Evaluation Branch completed an audit of the Industrial Technologies Office (ITO) — Strategic Aerospace and Defence Initiative in 2010–11.[65] Findings were favourable, with some recommendations. As a result, ITO has implemented a risk-based monitoring template; periodic reviews and updates of program level risks at the Risk Management Committee; and an annual assessment of the Committee structure. As well, a memorandum of understanding outlining roles and responsibilities of the Chief Financial Officer and the Executive Director of ITO regarding SADI and TPC repayments has been approved.

Strategic Outcome 3: Competitive Businesses are Drivers of Sustainable Wealth Creation

Industry Canada's mandate is to help make Canadian industry more productive and competitive in the global economy. In doing so, the Department collaborated with associations, governments and industry to enhance Canada's industrial capabilities. Industry Canada is also committed to supporting Canadian companies in a variety of ways, and promotes economic development in communities to encourage the development of skills, ideas and opportunities across the country. This was accomplished through the following program activities:

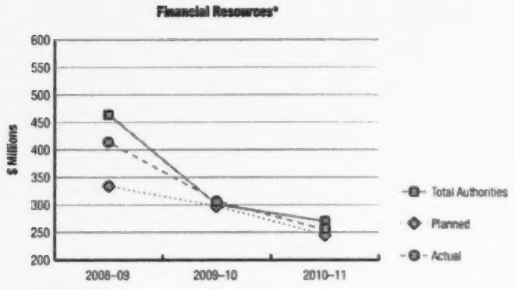
- Entrepreneurial Economy
- Global Reach and Agility in Targeted Canadian Industries
- Community, Economic and Regional Development
- Security and Prosperity Partnership of North America — Canadian Secretariat

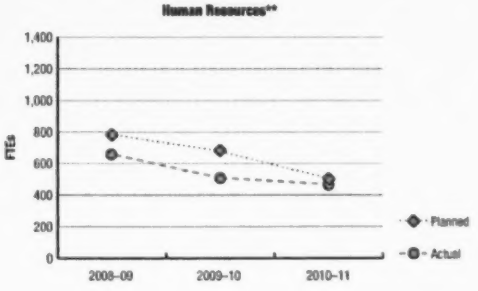
Distribution of spending by program activity in the area of Competitive Businesses are Drivers of Sustainable Wealth Creation



Success Story — Northern Ontario Development Program

With help from FedNor, and through the NODP, Algoma University in Sault Ste. Marie received $276,500 to establish a cutting-edge video game studio to produce products for the health care sector. The funding was used to hire three game development experts, as well as the technical support to create and test a game for stroke patients requiring remedial speech therapy. The studio also helped attract students to the University's Master of Science in Computer Game Technology program, the only one of its kind in Canada. Once fully operational, the Algoma Games for Health studio is expected to employ 40 to 50 people and create an additional 50 permanent, highly skilled positions in related industry sectors.





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Meeting Our Commitments

In an effort to ensure that Industry Canada contributes to sustainable wealth creation, and ensuring that businesses are competitive, the Department continued to improve BizPaL and the Canada Business Network. Industry Canada addressed the ongoing need for a link between industry and government, and the emerging need for comprehensive firm and industry analysis, to better address the impact of continued global competitiveness pressures and the evolving global supply chain on Canadian-based industries and firms.

Program Activity: Entrepreneurial Economy

Program Activity Description
This program raises government-wide awareness of the challenges facing small businesses by providing value-added knowledge and expertise, recommending policy options, and delivering programs that enhance small business growth and competitiveness and encourage entrepreneurship.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
104.3	109.0	106.1

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
113	101	12

Expected Results	Performance Indicators	Targets	Performance Status
Small and medium-sized enterprises' (SMEs) use of government business-related information, programs and services, and facilitated compliance for business.	Increase in number of clients using the Canada Business Network (CBN) website over the previous year	10%	**Performance Status:** Not Met Decrease of approximately 4.4%.^ Total number of clients: • 2010–11: 1,865,023 • 2009–10: 2,660,588* Because historical data are unavailable, a trend analysis is not applicable for this performance result. ^ To address this decline, the Canada Business National Office will attempt to increase awareness of the website through the development of a new branding strategy and will continue to adapt and improve the usability and content of the website based on client feedback and usability testing. * The Business Start-Up Assistant (BSA) was removed from the CBN website in September 2010. Its total visits were reported in the 2009–10 statistics (709,800). By removing the BSA statistics, the 2009–10 reporting would have been 1,950,785; thus the actual decrease to the CBN national website is only 4.4%.
Integrated business permit and licence information from all levels of government provides value to clients across Canada.	Percentage of clients that indicate satisfaction with the services provided	80%	**Performance Status:** Met All Two rounds of moderated and two rounds of un-moderated usability testing designed to validate the implementation of the transformed BizPaL project, which will be implemented in May 2011 was conducted. The usability testing was successful in validating the project and garnered a 91% success rate of completed tasks among participants. Because historical data are unavailable, a trend analysis is not applicable for this performance result.

Performance Summary and Analysis of Program Activity
To contribute to the competitiveness of businesses and to help create sustainable wealth, the BizPaL[66] partnership network expanded its service to an additional 147 jurisdictions across Canada, resulting in a 34-percent increase to jurisdictional coverage since the 2009–10 fiscal year. In addition to licences and permits, BizPaL content has now been expanded to include approvals, registrations and certificates.

Industry Canada continued to collaborate with federal/provincial/territorial partners as well as with other partners to discuss future business delivery strategies for the Canada Business Network (CBN).[67] This is in an ongoing effort to assist Canadian small and medium-sized enterprises (SMEs) with their business information requirements. Through greater use of social media tools (Really Simple Syndication [RSS] feeds, blogs and Twitter), CBN has increased its ability to obtain input from clients and boost awareness of its services.

Through a memorandum of understanding, Industry Canada has worked with the Government of Ontario's Ministry of Government Services (ServiceOntario) and Ministry of Economic Development and Trade to collaborate on services to business. Areas of collaboration included a single telephone number, the Business Info Line, and collaboration on website and content management, as well as communications and marketing. The use of a single phone number for both federal and provincial enquiries is also clearly aligned with the province of Ontario's Open for Business Initiative[68] as it provides seamless service for Canadians and greater access to information and services for business.

Highlights of Challenges and Risk Areas
To meet client and stakeholders' expectations of BizPaL for current, accurate information services, the Department engaged and maintained strong networks with other governments, departments and agencies to ensure BizPaL content remained up to date and reflective of client needs. Integration of such information benefits clients across Canada.

Lessons Learned
Since a 2008 evaluation that identified a need for BizPaL[69] to reach non-participating provinces and territories and to increase awareness of the BizPaL services, partnerships have increased from 9 to 11 provinces and territories and over 570 municipalities. This demonstrates a 28.5-percent increase in population coverage from March 31, 2008, to March 31, 2011, in addition to a 412.4-percent increase in the number of municipalities participating in BizPaL over the same time frame. In 2009, Industry Canada contracted Hill and Knowlton to conduct a marketing strategy with the goal of increasing awareness of the BizPal service. In 2010, the BizPaL website and promotional material (brochures and factsheets) were re-designed as per the marketing strategy recommendations.

Program Activity: Global Reach and Agility in Targeted Canadian Industries

Program Activity Description
Through value-added policy expertise, industry development and analysis, and strategic funding, this program aims to enhance the ability of targeted Canadian industries to take advantage of opportunities and respond to risks, ensure Canadian industry's link into global value chains, and assist businesses in strengthening partnerships both domestically and internationally. The desired result is agile Canadian industries that are able to adapt to the ever-changing economic landscape, respond appropriately to external shocks and compete internationally. This program works to mitigate strategic risk factors affecting Canadian industries' performance in global markets by analyzing the specific issues they face and using this knowledge to contribute to the development of policies, marketplace frameworks and strategies, including contributing to research and analysis aimed at achieving regulatory objectives in a manner that is sensitive to economic impacts. Departmental officials interact with associations, governments and leading firms in this program activity to assist with matchmaking among companies, improve conditions for market access and promote Canadian expertise. In addition, through this program, the Department invests in private sector initiatives that are aimed at maximizing productivity and facilitating access to capital. By helping Canadian industries mitigate risks and take advantage of opportunities in globalized markets, this program is committed to creating competitive businesses and sustainable wealth creation capability for Canadians.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
56.0	61.5	51.3*

* The variance is due to a reprofiling of $7 million in Structured Financing Facility Program from 2010–11 to 2013–14 to ensure program integrity until federal procurement of ships begins, which will lead to new builds in 2013–14.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
248	226	22*

* In 2010–11, this program activity went through a reorganization. As a result, FTE utilization was lower than anticipated.

Expected Result	Performance Indicators	Targets	Performance Status
Adaptable Canadian industries are linked to global value chains and have the capacity to prepare for and respond to risks and opportunities in the domestic and global markets.	Quantity of completed initiatives, designed to increase the global reach and agility of Canadian industries, as a percentage of initiatives identified in the sector's business plan	80%	**Performance Status:** Exceeded 92.8% Most of the initiatives outlined in the business plan were completed. Some were not completed due to competing priorities and the significant reorganizations in the sector. This result is declining from last year's result of 100% of completed initiatives.
	Stability or improvement in Canada's ranking in the World Economic Forum's *Global Competitiveness Report*	10th place	**Performance Status:** Somewhat Met Canada ranked 12th in the World Economic Forum's 2011–12 *Global Competitiveness Report,*[70] which covers 2010–11. While Canada's ranking declined from a 2010–11 ranking of 10th, the overall score showed modest improvement. The decline in ranking is due to greater improvements in other countries, rather than a decline in Canada's results.

Performance Summary and Analysis of Program Activity

In 2010–11, Industry Canada collaborated with partners in academia, industry and government to improve the recognition of Canadian industrial capabilities as well as their competitiveness and agility in the global marketplace. For example, Industry Canada enhanced the Industry Collaboration and Exchange Environment (ICee) to better provide unique opportunities to exchange information with its partners on future needs as well as industrial and academic capabilities. With over 450 registered users, ICee is currently being applied as a collaboration tool for the Soldier Systems Technology Roadmap.[71] Industry Canada also coordinated company participation in trade shows and helped them explore matchmaking opportunities. In collaboration with the provinces and territories, the Department organized a tourism mission to China, which took place in October 2010. As it was aimed at increasing tourism opportunities with China, the mission complemented Industry Canada's efforts in supporting the Minister of State's office in working with the Department of Foreign Affairs and International Trade (DFAIT) to finalize the Approved Destination Status (ADS) with China. According to Conference Board of Canada forecasts, by 2015, the ADS will contribute to a 50-percent increase in the number of Chinese travellers to Canada. Industry Canada also supported the Minister of State in holding two round table discussions with industry to identify policies and programs that have an impact on tourism and to discuss opportunities to broaden access to, and awareness of, Canadian tourist attractions.

In June 2010, Industry Canada implemented the Industrial and Regional Benefits (IRB)[72] Policy enhancement to support the inclusion of Canadian firms in the major prime contractors' Global Value Chains (GVCs) as new, large-value Government of Canada defence procurement contracts take place. The Department also implemented the requirement for Corporate IRB Strategic Plans from major IRB contractors to Canada. These strategic plans will seek to identify new IRB opportunities for Canadian industry, including GVC activities within the contractor's overall corporate portfolio.

The Department increased the scale of its pharmaceutical company monitoring program to a total of 101 companies, an increase of 19 from the previous year. This program provides policy and decision makers with a greater understanding of companies, and the overall pharmaceutical industry and the challenges faced, and serves as the foundation for detailed analysis and advice to senior management in policy discussions. Its overall goal is to expand pharmaceutical investment in Canada. In October 2010, Industry Canada successfully hosted trilateral Canada–U.S.–Japan meetings in Vancouver. The meetings helped resolve some market access issues and sought clarification on Japanese standards and policies for wood products.

In 2010–11, Industry Canada put forth significant efforts in fostering Canadian industries that are adaptable and able to react to changes in market conditions. This work included collaborative research with industry and academia aimed at developing best practices across core manufacturing business functions; the ongoing monitoring of key trends in the automotive sector to determine their impact on competitiveness issues, including the development of an in-depth analysis of the global trends in the automotive sector and their impact on Canadian competitiveness. The work also included an analysis of China as an emerging market, that country's automotive manufacturers and suppliers, and its overall policy environment.

Lessons Learned

In 2010–11, Audit and Evaluation Branch (AEB) completed an evaluation[73] of the Structured Financing Facility (SFF) to assess the needs and the responsiveness of the program, and to assess the linkages between program objectives and federal government priorities. The findings of the evaluation highlighted that the SFF contributed to the creation of demand in Canadian shipyards. The program helped maintain skilled staff at both medium and large-sized shipyards and contributed to maintaining and developing shipyard skill levels. From the lessons learned for future program development, it was suggested that program criteria be designed to ensure the full range of projects that would support policy objectives be eligible for funding, and that ways be considered to make project approval processes more timely.

Program Activity: Community, Economic and Regional Development

Program Activity Description

This program advances the economic development of Ontario communities in the same manner that regional development agencies support similar activities in other regions of Canada. The program supports and enhances the role and contribution of small and medium-sized businesses to Canada's economic well-being by building capacity, such as infrastructure, in non-metropolitan communities. This program also promotes access to the Internet and ICT, and the skills to use them, in order to increase the capacity of individuals and communities across Canada to participate in the knowledge-based economy.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
82.5	97.9	96.9

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
136	140	4

Expected Result	Performance Indicators	Targets	Performance Status
A significant increase in the capacity of selected Northern Ontario communities and businesses, helping them to thrive in the 21st century economy	Average leverage ratio of program funds	1:2.13	**Performance Status:** Met All 1:2.5 This is an improvement from last year's result of 1:1.9.
	Total number of contribution agreements and grants approved	233	**Performance Status:** Mostly Met Through Federal Economic Development Initiative for Northern Ontario (FedNor) programs, Industry Canada provided funding for 224 contribution agreements in Northern Ontario in 2010–11. Since this is a new indicator, and no historical data are available, a trend analysis is not applicable for this performance result.

Performance Summary and Analysis of Program Activity

In 2010–11, Industry Canada continued to support Northern Ontario communities and their businesses through FedNor. Along with the regional development agencies, FedNor completed the renewal of the Community Futures Terms and Conditions beyond the October 2, 2010, expiration date in compliance with the current Treasury Board Policy on Transfer Payments. In keeping with the Policy on Transfer Payments, a Performance Measurement Strategy was developed for the Community Futures Program. FedNor also continued to facilitate sustainable growth in Official Language Minority Communities (OLMCs) by delivering the Economic Development Initiative in Northern Ontario. The program provided financial support to organizations that address the specific development needs of OLMCs by developing new business expertise through innovation, partnerships, the diversification of economic activities and increasing support for small businesses in francophone communities. Through a memorandum of understanding, FedNor also continued to provide support services to the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) — including those related to program delivery support services, corporate services, Contribution Management Information System (CMIS) input, and payment and monitoring services — ensuring a seamless program delivery to clients.

In 2010–11, the Computers for Schools program refurbished and delivered 67,684 computers to schools and not-for-profit learning organizations throughout the country. A total of 403 youth interns were employed through this program in 2010–11, providing youth with hands-on technical job experience. Through the Community Futures Program,[74] FedNor also delivered the second year of a five-point Community Futures Development Corporation (CFDC) Stimulus Action Plan. This additional funding helped respond to the increase in loan requests from existing businesses normally serviced by conventional lenders as well as from new business start-ups. As a result, Northern Ontario CFDCs were in a better position to respond to the needs of their clients and increase their lending activity for the period ending March 31, 2011.

Lessons Learned

FedNor conducted a comprehensive review of the program components of the Northern Ontario Development Program (NODP)[75] and developed a renewed focus on the program's core economic development mandate with a stronger emphasis on economic development and growth of small and medium-sized enterprises. As a result, the program's priorities were realigned to achieve short- to medium-term, measurable results supporting the economic development and growth of Northern Ontario communities and businesses. NODP's guidelines and processes were updated and made accessible through the FedNor website to provide Canadians with a strong understanding of the program. This enhanced focus of its priorities will allow FedNor to better achieve the program's mandate and to ensure that the program maximizes the impact of its investments.

Additionally, in response to a recommendation in the 2007 internal auditor's report on FedNor and the NODP, FedNor began to implement a Customer Relationship Management System to facilitate a coordinated approach to managing client interaction, enabling a more transparent and efficient means of sharing client information across the organization.

Program Activity: Security and Prosperity Partnership of North America — Canadian Secretariat

Program Activity Description
This program supports the Minister of Industry in his/her responsibility for leading Canada's engagement in the Security and Prosperity Partnership (SPP). This program leads, in cooperation with other federal departments and agencies, the identification of strategic Canadian bilateral and trilateral priorities with respect to prosperity and security within North America; negotiations with the United States and Mexico; and communications and reporting. This program also supports the Minister in his/her role as lead on the Prosperity Agenda focused on improving competitiveness and enhancing quality of life.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
2.2	1.8	0.0*

* A misalignment of funds has resulted in Actual Spending for this program activity being coded to Internal Services ($1.03M). The Security and Prosperity Partnership of North America ended in 2010–11, leading to lower Actual Spending as the program ramped down.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
8	0	8*

* A misalignment has resulted in Actual Human Resources for this program activity coded to Internal Services (7 FTEs).

Expected Result	Performance Indicator	Target	Performance Status
Industry Canada is successful in advancing its strategic priorities in the context of North America and other international bilateral and multilateral forums.	Number of bilateral or multilateral meetings at the senior management or ministerial level for which advice, planning or other deliverables are provided	10	**Performance Status:** Exceeded 15 Information, analysis and advice were developed for over 15 bilateral or multilateral meetings at the ministerial and senior management level. Since this is a new indicator, and no historical data are available, a trend analysis is not applicable for this performance result.

Performance Summary and Analysis of Program Activity
Industry Canada provided guidance and advice to the Minister of Industry on Canada–U.S. and North American relations, as well as on other international issues relating to the global economy. Specifically, guidance and advice was provided to the Minister for participation in the North American Competitiveness, Innovation & Clean Energy Conference 2010 in San Diego,[76] as well as trilateral and bilateral meetings held on the margins of the Conference. Analysis and advice was also provided for The Americas Competitiveness Forum (ACF),[77] held in Atlanta, where the Minister of Industry met with his counterparts from the U.S. and Mexico. In further support of North American cooperation, the Secretariat has provided advice to the Minister and/or senior management on international economic issues and in preparation for meetings with representatives from other governments (United Kingdom, India, China, Netherlands, Italy, etc.)

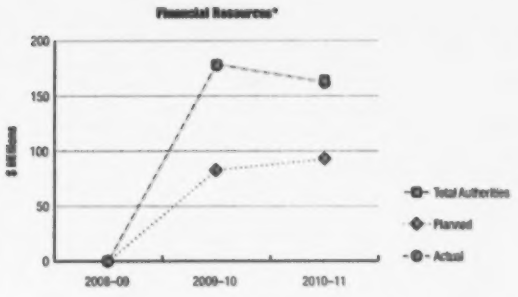
Industry Canada was responsible for the management and coordination of the Research Fund on North American Borders, Security and Prosperity. An interdepartmental Director General Committee, coordinated and chaired by Industry Canada, oversaw the completion of 29 research studies focusing on building an evidence base for the impact of border measures on Canadian competitiveness by using a variety of data sources and methodologies. Findings were presented by Industry Canada to participants from government, the private sector and the academic community.

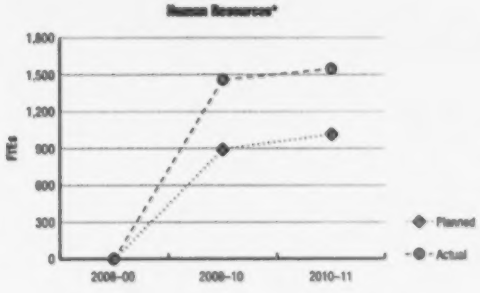
Lessons Learned
Sustained and strategic engagement by the Minister of Industry with his counterparts is required to address issues related to improving the competitiveness of Canadian industry as the global economy shifts, in addition to ensuring that research is disseminated appropriately to inform stakeholders and shape policy debate.

Program Activity: Internal Services

Program Activity Description

Internal Services is composed of groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services, Public Policy Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services includes only those activities and resources that apply across an organization and not to those provided specifically to a program.





* The lack of financial and human resources for 2008–09 is due to a change in the requirements for reporting on the Internal Services activity in the DPR. In 2008–09, the Internal Services resources were allocated to each of the strategic outcomes. Starting in 2009–10, the Internal Services was reported as a separate activity.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
92.6	163.0	160.6*

* Since 1996, the Department has a funding model whereby it can access up to $66 million in operating funds from repayable contributions of the Defence Industry Productivity Program. These operating funds are accessed through Supplementary Estimates based on the amount collected in the previous year. To ensure the timely progress of program activities, Internal Services advances the funds to all other programs and replenishes itself when Supplementary Estimates are voted, which creates a significant variance between Planned and Actual total spending.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
1,015	1,544	529*

* There is a variance between Planned and Actual values for FTEs due to an improvement in methodology used to calculate FTEs. The 2009–10 actual FTEs were 1457, which results in a variance of 87 between years that is largely due to the EAP and changes in the PAA structure.

Performance Summary and Analysis of Program Activity

The Department's year-over-year Management Accountability Framework (MAF) ratings[78] continue to improve. The Treasury Board (TB) assessment of 2010–11 was very positive and indicated that, even with the increased workload and the delivery of EAP initiatives, Industry Canada's management capacity was very positive overall. In total, the Department was assessed on 12 Areas of Management and received five "Strong" ratings and seven "Acceptable" ratings. More specifically, the TB indicated that Industry Canada provided the appropriate level of information for the Accounts of Canada and the Public Accounts of Canada and demonstrated an exemplary and commendable progress in the management of internal controls over financial reporting.

The Internal Audit function[79] and the Evaluation function[80] within Industry Canada adhered to the respective plans for 2010–11 and achieved the intended coverage to provide assurance, measure performance and inform decision making. As well, in compliance with the 2009 Policy on Evaluation,[81] the Department drafted the Annual Report on the State of Performance Measurement in Support of Evaluation. The draft report was presented to the Departmental Evaluation Committee. With this in mind, all TB submissions were reviewed to ensure that performance measurement strategies are well articulated, and outcomes are measurable and achievable.

On the Human Resources (HR) front, employee development and retention in 2010–11 was supported with orientation sessions, stay questionnaires for new recruits, a renewed employee recognition program, full-cycle implementation of the Employee Performance Management Framework, an initiative to support corporate memory and knowledge transfer, and exit questionnaires to inform improved HR activities and programs. The Department also developed and provided tools (including learning, competency attainment and talent management) to help Industry Canada's future leaders successfully prepare for and assume executive positions in the organizations.

Highlights of Challenges and Risk Areas

Industry Canada is funded through voted parliamentary spending authorities, statutory authorities and transfer payments, as well as specified types of respendable revenue. To address the Department's variable sources of funding, Industry Canada implemented rigorous, systematic reviews and strong financial management practices and processes to help ensure decisions were made within the allocated resource level.

The Chief Information Office (CIO) used existing information technology (IT) governance processes and the 2010–11 Departmental IT Plan to allocate resources based on departmental priorities and continued to drive a departmental approach that promoted reuse and efficiency. This ensured the CIO had the resources to appropriately support current services and meet the demand for new services.

Successful employee recruitment, development and retention of the talent are needed to create and maintain a productive, sustainable, adaptable, competent and diverse workforce capable of meeting the Department's strategic outcomes. Industry Canada has developed and implemented a three-year People Management Strategy for Renewal and Results,[82] which focuses on four main priority areas: Employee Engagement and Renewal; Leadership Development; HR Service Excellence and Service Improvement; and Integrity and Accountability. In 2010–11, Industry Canada began implementation of year two of this action plan.

Lessons Learned

The Audit and Evaluation Branch conducted an internal audit of staffing and recruitment[83] at Industry Canada during summer/fall 2010 to assess the level of compliance, efficiency and effectiveness of staffing and recruitment processes and practices. The audit revealed a number of strengths, including a robust authority sub-delegation process, HR advice consistent with legislation and policy requirements, and timely and relevant information for managers on staffing. The audit also identified a few areas requiring improvement, mostly relating to filing documentation and non-advertised appointment processes. Audit conclusions mirror findings resulting from internal monitoring exercises and also address issues and concerns raised by the PSC with respect to staffing across the Public Service.

Follow-up on the audit was discussed at Industry Canada's Management Committee, resulting in the approval of a detailed action plan for 2010–11 and 2011–12. As recommended in the audit, a Roles and Responsibilities document is currently being developed and will be communicated to managers in the next fiscal year.

Canada's Economic Action Plan

In fiscal year 2010–11, Industry Canada continued to deliver on commitments related to Canada's Economic Action Plan (EAP). A significant portion of EAP resources was used to support science and technology, knowledge and innovation, which helped position the Canadian economy to excel in the global market. This was achieved through the following EAP initiatives:

- Knowledge Infrastructure Program
- Broadband Canada: Connecting Rural Canadians
- Marquee Tourism Events Program
- Institute for Quantum Computing
- Modernizing Federal Laboratories
- Community Adjustment Fund for Northern Ontario

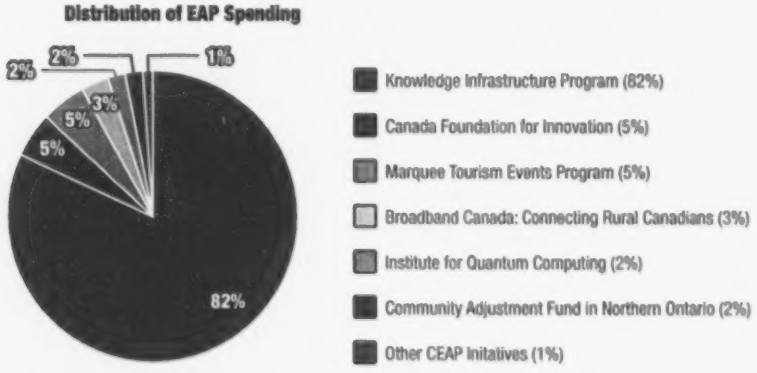
For an overview of linkages between the corporate risks and the Department's priorities, please refer to the Corporate Risk Profile table in Section 4. Some EAP initiatives, due to their nature as well as to their funding, did not have performance indicators and/or expected results in the corresponding RPP; however, this DPR still reports on their results achieved in fiscal year 2010–11. These initiatives are:

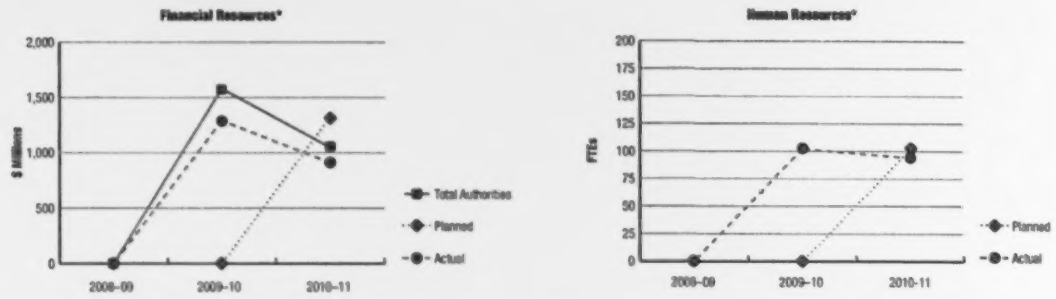
- Canada Foundation for Innovation
- Ivey Centre for Health Innovation and Leadership
- Canada Business Network

Canada's Economic Action Plan	2009–10 Actual Spending ($ millions)	2010–11 ($ millions)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
EAP	1,080.0	1,263.9	1,322.1	1,049.1	910.2
Total	**1,080.0**	**1,263.9**	**1,322.1**	**1,049.1***	910.2

* As a result of the Government's decision to extend the program deadline for key infrastructure programs to October 31, 2011, funding totalling $250.1 million was reprofiled to 2011–12.

Distribution of spending by EAP initiative





* Due to the fact that Canada's Economic Action Plan was announced in the Budget 2009 speech after the tabling of the 2009–10 RPP, there was no Planned Spending or Planned Human Resources associated with EAP for that year. Total Authorities, Planned Spending and Actual Spending associated with EAP increased in 2010–11 due to the fact that funds for several key initiatives (KIP, Broadband) were deferred to match construction projects' cash requirements. Please refer to each EAP program funding information in the section below for more information.

EAP: Knowledge Infrastructure Program

Description

The Knowledge Infrastructure Program (KIP) is an initiative from the EAP aimed at stimulating economies in local communities by accelerating repairs, maintenance and undertaking new construction at post-secondary institutions.This initiative was implemented through contribution agreements with the provinces and territories, and in some cases directly with institutions. External funding from the provinces and territories and recipient institutions was leveraged to complete these projects. KIP falls under Program Activity: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy.

2010–11 Financial Resources ($millions)

Planned Spending	Total Authorities	Actual Spending
999.7	751.6	745.0*

*As a result of the Government's decision to extend the program deadline for key infrastructure programs to October 31, 2011, funding totalling $250.1 million was reprofiled to 2011–12.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
16	17	1

Expected Result	Performance Indicator	Target	Performance Status
Provide economic stimulus in local economies across Canada through infrastructure investments at post-secondary institutions	Total value of approved projects at colleges and universities	$2 billion	**Performance Status:** Met All The entire $2-billion budget was allocated to support more than 500 renovation, repair and expansion projects at over 240 post-secondary institutions in every province and territory across Canada. As of March 31, 2011, more than $1.7 billion of this funding has been disbursed, with the remainder to follow in 2011–12, given an extension of the original funding deadline for KIP and other infrastructure programs. Because historical data are unavailable, a trend analysis is not applicable for this performance result.

Performance Summary and Analysis
As part of Canada's EAP, the KIP,[84] provided over $1.7 billion in federal funding by the end of fiscal year 2010–11. These cost-shared infrastructure projects, which leverage additional funding from non-federal sources saw total costs incurred of approximately $3.4 billion by February 28, 2011 (50 percent of which was covered by KIP funding). These projects provided a boost to job creation and economic activity in communities across Canada. Provinces, territories and institutions have reported that more than 300 projects were substantially completed as of March 31, 2011. Along with other key EAP infrastructure programs, the deadline for program funding under KIP was extended to October 31, 2011 to allow sufficient time to complete remaining projects.

Highlights of Challenges and Risk Areas
To meet the objectives of KIP, and provide economic stimulus in a timely fashion to local economies in Canada through infrastructure investments at post-secondary institutions, a combination of stringent monitoring through quarterly progress reports and a flexible approach to reallocating funding among projects were implemented. This enabled recipients to proceed quickly with their projects and to revise funding agreements where appropriate. A seven-month extension to the deadline for KIP and other EAP infrastructure initiatives, to October 31, 2011, was granted to allow full disbursement of the $2 billion budget.

Lessons Learned
KIP was audited as part of the OAG audit[85] of EAP initiatives. The program allocated $2 billion over two years, targeting post-secondary institutions across Canada for deferred maintenance, repair, and expansion of projects to improve the quality of research and development and to deliver advanced knowledge and skills training. KIP was highlighted as an example of speedy implementation, complying with eligibility and legal requirements, and will be used as a best practice in the future within the Department.

EAP: Broadband Canada: Connecting Rural Canadians

Description
As part of Canada's EAP, funding was provided for the development and implementation of a strategy to extend broadband Internet coverage. By far the largest component of this strategy is the Broadband Canada: Connecting Rural Canadians program. Broadband Internet access is viewed as essential infrastructure for participating in today's economy as it enables citizens, businesses and institutions to access information, services and opportunities that could otherwise be out of reach. Broadband Canada's goal is to encourage the expansion and availability of broadband connectivity to as many currently unserved and underserved households in Canada as possible. The program aims to provide essential infrastructure to Canadians in rural and remote areas, allowing them to participate in the digital economy. Broadband Canada: Connecting Rural Canadians falls under Program Activity: Community, Economic and Regional Development.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
179.7	158.4	30.0*

* $94.3 million was deferred from 2010–11 to future years to accommodate the high number of applications received, delays in the assessment and selection process, multi-year build seasons for remote locations, and additional costs of satellite bandwidth for future years. In addition, $7 million was accessed by the Atlantic Canada Opportunities Agency (ACOA) in 2010–11 to fund broadband initiatives through their Atlantic Innovation Fund.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
25	21	4

Expected Result	Performance Indicator	Target	Performance Status
Broadband coverage extended to as many currently unserved and underserved households in Canada as possible	Percentage of contribution agreements in place that support reaching as many households as possible	100%	**Performance Status:** Met All 100% of contribution agreements were signed for projects to provide broadband Internet access to approximately 210,000 households. Since this is a new indicator, and no historical data are available, a trend analysis is not applicable for this performance result.

Performance Summary and Analysis
At the start of Broadband Canada: Connecting Rural Canadians, Industry Canada estimated that almost 445,000 unserved/underserved households in Canada were eligible for funding through the Broadband Canada: Connecting Rural Canadians initiative. Through the Broadband Canada: Connecting Rural Canadians program, 86 contribution agreements were signed to provide $112 million to projects that will bring broadband Internet access to approximately 210,000 households.

Highlights of Challenges and Risk Areas
To ensure the Broadband Canada program delivered on its mandate to provide broadband coverage to as many currently unserved and underserved households as possible, Industry Canada selected projects according to the principles of reaching as many households as possible and maximizing federal investment. All efforts were made to minimize overbuilding of existing broadband network infrastructure and/or funding areas that will be served through other initiatives. The selection process also ensured a balance between remote and rural needs. This work will continue through 2011–12.

Lessons Learned
The program was very popular, leading to a significant demand for funding and many more applications than anticipated. Unlike other EAP programs, broadband provision is not a shovel-ready proposition. Despite having an extra year, technical and market considerations slowed program roll-out. Thus the program was unable to spend funds according to projected expenditures. There is a significant need for data on broadband service at the federal, provincial and territorial levels. Coordination with other government departments, provinces and territories is critical to the success of this program. In addition, enhanced intra-departmental cooperation in the development and execution of new programs would assist in more rapid deployment. Despite many challenges, the program is rolling out successfully.

EAP: Marquee Tourism Events Program

Description
The Marquee Tourism Events Program (MTEP) is a two-year EAP initiative that is intended to assist marquee tourism events to deliver world-class programs and experiences in support of tourism and the visitor economy. The MTEP makes non-repayable contributions in support of tourism events that take place in Canada. MTEP falls under Program Activity: Global Reach and Agility in Targeted Canadian Industries.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending*
49.9	41.7	41.0

* MTEP transferred $8 million to the Canadian Tourism Commission through the 2010–11 Supplementary Estimates to further support marketing activities in priority areas of the Canadian Tourism industry.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
11	15	4*

* In the first year of MTEP, the majority of funding announcements were made close to or after the events' start date. MTEP recruited additional staff in year two which enabled them to significantly improve the timing of funding announcements.

Expected Result	Performance Indicator	Target	Performance Status
Existing Marquee Tourism Events will enhance their offerings and deliver world-class programs and experiences.	Percentage of funded events with sustained or increased numbers of out-of country and out-of-province tourists	80%	**Performance Status:** N/A Premature to report on this performance indicator as 2010–11 economic impact studies have not been received. Because historical data are unavailable, a trend analysis is not applicable for this performance result
	Percentage of funded events with sustained or increased tourism-related spending	80%	**Performance Status:** N/A Premature to report on this performance indicator as 2010–11 economic impact studies have not been received. Because historical data are unavailable, a trend analysis is not applicable for this performance result.

Performance Summary and Analysis
In 2010–11, 47 events were approved for funding totalling $39,184,246. By providing targeted financial assistance to marquee tourism events, the program responded to the need for an immediate economic stimulus to the tourism sector. The objective of the program aligns with federal government priorities and is consistent with the mandate and strategic objectives of Industry Canada.

Highlights of Challenges and Risk Areas
To ensure the tourism industry was able to enhance marquee tourism event offerings and optimize use of funds within the MTEP time frame, the Department established firm deadlines to help ensure the processing of applications and contribution agreements in advance of event start dates. Industry Canada also worked with funding recipients to ensure sufficient information for performance reporting would be available by clearly articulating the reporting requirements for the program in the application processes and notifying all successful year-two funding recipients of the reporting requirements prior to the start of their events. This allowed recipients the opportunity to implement measures to collect the required data.

Lessons Learned
In the first year of the MTEP program, the majority of funding announcements were made close to or after the events start date. In year two, the timing of funding announcements with respect to event start dates improved significantly. All announcements for project funding were made on the same day (May 7, 2010). This resulted in nearly all projects receiving notification of funding approval prior to the event start dates.

Additional staff was also recruited and MTEP established a work plan with firm deadlines to process applications for approval in advance of start dates. According to the Fathers of Confederation Buildings Trust (The Charlottetown Festival) final report, dated March 2010, MTEP funding allowed the festival to hire staff to update and enhance its website.

EAP: Institute for Quantum Computing

Description
The Institute for Quantum Computing (IQC) was founded with the vision to be a world leader in quantum information science, and to create new technology and applications that will benefit society and become the new engine of economic development in the 21st century. The Institute will be funded through a grant of up to $50 million that supports the construction of a new building for the IQC, a world-class research institute devoted to foundational issues in quantum information sciences and technology, operated by the University of Waterloo. The funding will also support the operations of the IQC, including the purchase of necessary small equipment, the recruitment and retention of highly qualified personnel and support staff, and scientific outreach activities. IQC falls under Program Activity: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
17.0	17.0	17.0

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
0	0	-

Expected Result	Performance Indicator	Target	Performance Status
Support the construction of a new building, the operation of the IQC and scientific outreach activities	Construction of the new IQC building completed	Completed by March 31, 2011	**Performance Status:** Somewhat Met Construction of the IQC's new facility is ongoing and was scheduled to be substantially completed by July 2011. Because historical data are unavailable, a trend analysis is not applicable for this performance result.

Performance Summary and Analysis
In 2010–11, construction of the Institute for Quantum Computing (IQC) new facility began. The building was scheduled to be substantially completed by July 2011. The recruitment of highly qualified personnel is also ongoing, and knowledge transfer and communication activities are well advanced.

EAP: Modernizing Federal Laboratories

Description
The necessary maintenance, repair and upgrade of the Communications Research Centre's Shirley's Bay government research campus in the west end of Ottawa, that hosts six different government laboratories, will be undertaken. This investment will help protect these capital assets, as the investment made will reduce the repair costs and risk of larger ad hoc repairs. The health and safety of the staff on the campus will also be addressed with this investment. Modernizing Federal Laboratories falls under Program Activity: Communications Research Centre Canada.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
2.2	2.2	2.2

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
0	0	-

Expected Result	Performance Indicator	Target	Performance Status
Reduce the risk of larger ad hoc repairs and ongoing repair costs	Percentage of infrastructure installed	90%	**Performance Status:** Exceeded 95% of the infrastructure was installed by March 31, 2011. Because historical data are unavailable, a trend analysis is not applicable for this performance result.

Performance Status and Analysis
Budget 2009 funding for Modernizing Federal Laboratories included $5.4 million to upgrade the Communications Research Centre Canada's (CRC) research campus in Ottawa, which hosts six government laboratories. This investment will support an increase in the output of research and development at the laboratories and improve the ability of the CRC to generate Canadian jobs in the technology sector.

EAP: Community Adjustment Fund in Northern Ontario

Description
The Community Adjustment Fund (CAF) is an economic stimulus initiative to create employment opportunities and support adjustment measures in communities impacted by the economic downturn. Budget 2009 identified $1 billion nationally over two years for the CAF. In Ontario, the CAF will provide $348.9 million over two years to support adjustment measures in communities affected by the global economic downturn. In 2009–10, $10.7 million in funding was delivered in Northern Ontario. CAF in Northern Ontario falls under Program Activity: Community, Economic and Regional Development.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
16.3	21.2	18.7*

* The variance between the Total Authorities and the Actual Spending is due to reprofiling of $1.9 million to 2011–12.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
7	7	0

Expected Results	Performance Indicators	Targets	Performance Status
Support for adjustment measures in communities	Total value of investments anticipated in businesses, organization and communities	$75,469,467	**Performance Status:** Mostly Met $74.6 million was invested in Northern Ontario businesses, organizations and communities to respond to the economic downturn. The total value of investments target decreased as one project was cancelled. This is an improvement from last year's result of $70,172,142.
	Number of jobs created (in person-months)	9,600*	**Performance Status:*** Not Met The number of jobs created by CAF in Northern Ontario was 4,429 person-months. This result is an improvement from the previous year's result of 1,074 jobs created.

* The target was calculated in error, as one proponent submitted in person-months but listed it as person-years. This was converted to person-months resulting in a higher performance target. The conversion was corrected for the reporting of this result, which explains why the result was significantly lower. This issue has been corrected for future years.

Performance Summary and Analysis
FedNor delivered the second and final year of the CAF in Northern Ontario. FedNor supported activities that fostered restructuring, economic development, science and technology initiatives, and undertook other measures to promote economic diversification that help to create and maintain jobs in the short term or address transitional and adjustment challenges, thus yielding economic and sustainability benefits over the longer term.

Lessons Learned
As Industry Canada's main point of presence in Northern Ontario, FedNor maintains the organizational capacity and establishes networks to effectively deliver national initiatives and expanded program delivery opportunities in Northern Ontario. This framework allowed the organization to deliver the Northern Ontario portion of the CAF, a national program to provide economic stimulus to mitigate the short-term impacts of the economic downturn.

Using an existing program (NODP) and its related staff and systems, FedNor was well positioned to deliver CAF in Northern Ontario. FedNor was able to identify projects that met the eligibility criteria and objectives of CAF, develop an intake system, manage data and respond to reporting, monitoring, audit and evaluation requirements, all in a timely and effective manner.

EAP: Other Initiatives

Canada Foundation for Innovation

Description
The Canada Foundation for Innovation (CFI) is an independent corporation created by the Government of Canada to fund research infrastructure. CFI's mandate is to strengthen the capacity of Canadian universities, colleges, research hospitals and not-for-profit research institutions to carry out world-class research and technology development that benefits Canadians. CFI falls under Program Activity: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
50.0	50.0	50.0

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
0	0	-

Performance Summary and Analysis
The CFI[86] is continuing to roll out the funding to award recipients through the 2009 Leading Edge Fund and New Initiatives Fund (LEF/NIF) competition. The CFI has also announced all of the competitions associated with the $600 million provided in Budget 2009:

- On July 26, 2010, the Government announced $32.5 million would support research infrastructure projects in colleges and polytechnics, enabling them to further support private sector innovation.
- On August 6, 2010, it was announced that $182 million would support the CFI's Leaders Opportunity Fund, which is designed to help institutions attract and retain top research talent.
- On August 26, 2010, the Government announced $200.5 million for a new LEF/NIF competition.
- On October 22, 2010, the Government announced that $185 million would support a portion of the operating costs of select major science initiatives, to ensure that these facilities receive the support they need to remain at the leading edge of their fields and that researchers across Canada continue to have access to the latest equipment, technology and facilities.
- On December 15, 2010, the CFI formally launched the College-Industry Innovation Fund[87] (CIIF) competition and the Major Science Initiative competition.

Ivey Centre for Health Innovation and Leadership

Description
The Ivey Centre for Health Innovation and Leadership prepares health leaders with the skills they need to identify, assess and facilitate the adoption of innovative technologies, systems and processes that our health systems need in order to be sustainable. The Centre addresses health care's "innovation adoption deficit" and the persistent lack of highly trained and skilled leaders and change-agents able to commercialize innovation or effectively implement new systems and management processes both in the private sector and in our publicly funded health care institutions. Ivey Centre for Health Innovation and Leadership falls under Program Activity: Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy.

2010–11 Financial Resources ($ millions)

Planned Spending	Total Authorities	Actual Spending
1.0	1.0	1.0

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
0	0	-

Performance Summary and Analysis
In 2010–11, the Ivey Centre for Health Innovation and Leadership carried out the following:

- Educated over 400 students in the innovation adoption, and commercialization of health care technologies, systems and processes via its Health Sector MBA and other academic programs;
- Held its second annual Ivey Global Health Innovations Conference in November 2010, which was attended by over 200 participants;
- Released three white papers on issues related to health innovation adoption, commercialization and leadership;
- Developed partnerships with academic institutions, research institutes and industry; and
- Completed 1 demonstration project whereby health innovations are tested in real-world settings and 13 health innovation projects (e.g. Ivey Consulting and New Venture Projects).

The Ivey Centre for Health Innovation and Leadership is currently developing six case studies that explore issues in health innovation adoption and commercialization and will be used for practical application and decision making in the health care community.

For more information, please visit Ivey Centre for Health Innovation and Leadership website.[88]

Canada Business Network

Description
The Canada Business Network's (CBN) objective is to provide business with the resources needed to grow and prosper, including a wide range of information on government services, programs and regulations. It promotes entrepreneurship and innovation, and provides assistance through an organized network of service centres across Canada. CBN falls under Program Activity: Marketplace Frameworks and Regulations.

2010–11 Financial Resources ($ millions)*

Planned Spending	Total Authorities	Actual Spending
6.3	5.9	5.3

* The program received funding from the EAP; however, CBN is an ongoing program.

2010–11 Human Resources (full-time equivalents)

Planned	Actual	Difference
27	34	7

Performance Summary and Analysis

For more information on CBN and its performance results, please refer to the Entrepreneurial Economy program activity under Industry Canada's Strategic Outcome 3: Competitive Businesses are Drivers of Sustainable Wealth Creation.

Section 3: Supplementary Information

Financial Highlights

(in thousands of dollars)	Percent Change	2011	2010 (Restated)
Condensed Statement of Financial Position At March 31			
Assets			
Financial Assets	-41%	783,030	1,318,021
Non-Financial Assets	-3%	98,334	101,292
TOTAL	**-38%**	**881,364**	**1,419,313**
Liabilities			
Accounts Payable and Accrued Liabilities	-50%	437,258	868,844
Deferred Revenue	-14%	3,775,636	4,376,729
Other Liabilities	-2%	512,910	523,182
Total Liabilities	**-18%**	4,725,804	5,768,755
Equity	-12%	(3,844,440)	(4,349,442)
TOTAL	**-38%**	**881,364**	**1,419,313**
Condensed Statement of Operations For the period ended March 31			
Expenses			
Transfer Payments	-14%	1,329,185	1,549,602
Operating Expenses	-4%	800,884	832,053
Total Expenses	-11%	2,130,069	2,381,655
Revenues			
Sales of Services	0%	1,109,189	1,103,940
Other	-13%	16,581	19,156
Total Revenues	0%	1,125,770	1,123,096
NET COST OF OPERATIONS	**-20%**	**1,004,299**	**1,258,559**

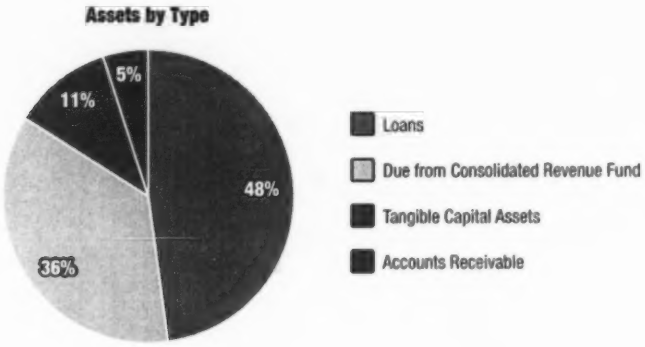
Financial Highlights Charts/Graphs and Summary of 2011 Financial Results

The financial results presented in Industry Canada financial statements are shaped by the three strategic objectives that aim to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

In 2010–11, Industry Canada continued to manage numerous stimulus grants and contributions projects through Canada's Economic Action Plan and maintained an increased level of transfer payment expenses when compared with historic departmental levels. The Government of Canada announced a set of initiatives aimed at providing a quick recovery from the economic downturn and at improving access to financing, supporting small businesses, helping municipalities build stronger communities through investments in infrastructure, and providing short-term support for key industrial and commercial sectors.

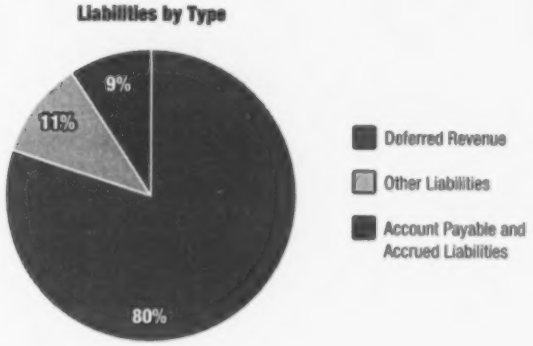
Effective August 13, 2009, responsibility for the Southern Ontario Regional Economic Development Branch was transferred to the newly created Federal Economic Development Agency for Southern Ontario in accordance with Order-in-Council P.C. 2009-1411, including the stewardship responsibility for the assets and liabilities related to the program. Due to the timing and the logistical requirements for creating a new entity, the Federal Economic Development Agency for Southern Ontario remained consolidated within Industry Canada's financial records for the purpose of Public Accounts reporting until March 31, 2010. Fiscal year 2009–10 as reported here has been restated to reflect the transfer of assets and liabilities to the Federal Economic Development Agency for Southern Ontario as at August 13, 2009.

Assets



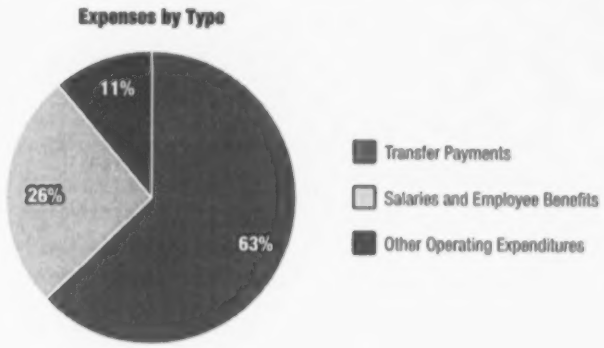
Total assets were $881 million for 2010–11, a decrease of $652 million (43 percent). This decrease can be mostly attributed to the changes in the Due from Consolidated Revenue Fund account, which is dependent on year-end payable levels in the Department. It is a representation of the funds the Department has access to for discharging its liabilities without requiring further parliamentary approvals. There was an increase in loans provided during the year for approximately $60 million but an overall decrease in net loans. The increase in loans can be partially attributed to the Industrial Technologies Office (ITO), which provided loans through the SADI program to seven new competitive projects with aerospace and defence (A&D) firms. These projects helped foster collaboration in R&D between firms and academia across the country, including the University of British Columbia, Université Laval and École Polytechnique de Montréal. The overall decrease in net loans is the result of large unconditionally repayable contributions reaching the end of their work phase under the Strategic Industrial Projects program. When reaching this phase, non-interest-bearing loans carry discounts so that the net loans on the departmental financial statements represent their approximate market value.

Liabilities



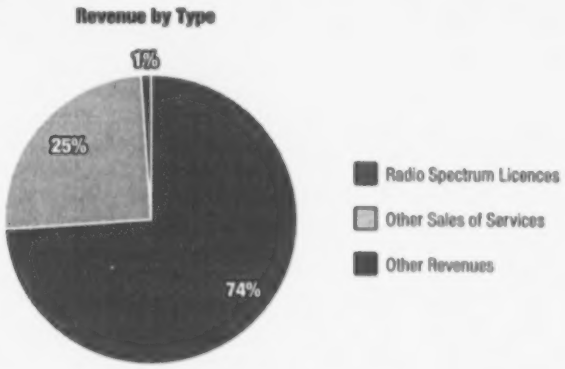
Total liabilities were $4.72 billion for 2010–11, a decrease of $1.04 billion (18 percent). Accounts Payable decreased by 50 percent this fiscal year, a decrease that can be attributed to timing differences for large grants and contributions payments during this fiscal year compared with last. Payment requisitions made near year-end in 2009–10 for some large stimulus contribution programs inflated the account. Contributing to this decrease in liabilities was a decrease in deferred revenue for $600 million. Much of this decrease is the recognition of radio spectrum licences sold in the 2 GHz range by auctions in prior fiscal years and recognized as revenue over the period of the licence. Radio licences are managed by the Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy.

Expenses



Total expenses were $2.13 billion in 2010–11, a decrease of $252 million (11 percent). While the level of transfer payment expenses was, for the second straight fiscal year, higher than normal for the Department, a decrease in payments made under Canada's Economic Action Plan explains the reduction in expenses year-over-year. Program expenses reduced this fiscal year by approximately $245 million for the Knowledge Infrastructure Program (costs for the program remain estimated at $2 billion overall for the program) under Canada's Research and Innovation Capacity. The program was extended one fiscal year with the remaining $245 million in funding transferred to the next fiscal year. This program was designed to enhance infrastructure to Canadian colleges and universities. Several other transfer payment programs with prior year expenses of approximately $208 million were removed from the departmental reporting structure as FedDev Ontario became an independent organization in 2009–10. This includes programs such as the Community Adjustment Fund, the Ontario Potable Water Program, the Southern Ontario Development Program and the Recreational Infrastructure Canada Program. These reductions are reflected in the departmental financial statements as adjustments to the prior fiscal year. Operating expenses for the Department have remained in the $800-million range and have decreased slightly with the transfer out of FedDev Ontario and with a departmental reduction in professional service spending.

Revenue



Total revenues were $1.13 billion in 2010–11, an increase of approximately $3 million and consistent with reported revenues in 2009–10. The majority of reported revenue in the departmental financial statements is attributed to the recognition of radio spectrum revenue managed by the Marketplace Frameworks and Regulations for Spectrum, Telecommunications and the Online Economy. This type of revenue reflects the recognition of radio spectrum auction licence fees received in prior fiscal years, particularly, $4.26 billion received and deferred in 2008–09 for the 2 GHz range. Other sales of services represent legislative fees and registrations through organizations such as Corporations Canada ($12 million), the Office of the Superintendent of Bankruptcy ($46 million), Competition Bureau ($22 million) and Measurement Canada ($1 million), who report under Marketplace Frameworks and Regulations.

Financial Statements

The financial highlights presented within this DPR are intended to serve as a general overview of Industry Canada's financial position and operations. The Department's financial statements can be found at http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06765.html

List of Supplementary Information Tables

All electronic supplementary information tables found in the 2010–11 Departmental Performance Report can be found on the Treasury Board of Canada Secretariat's website at http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp.

Details on Transfer Payment Programs

Green Procurement

Horizontal Initiatives

Internal Audits and Evaluations

Response to Parliamentary Committees and External Audits

Sources of Respendable and Non-Respendable Revenue

Up-Front Multi-Year Funding

User Fees Reporting

Section 4: Other Items of Interest

Organizational Contact Information

We welcome your comments on this report by email to info@ic.gc.ca, by fax to 613-957-6543 or by mail to:
Planning, Performance and Reporting Group
Comptrollership and Administration Sector
Industry Canada
235 Queen Street
2nd Floor, East Tower
Ottawa ON K1A 0H5

Information Management and Information Technology (IM/IT) Governance and Responsibilities at Industry Canada

This information is available online at http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06787.html.

Expected Results Information for Program Sub-Activities and Sub-Sub-Activities by Strategic Outcomes

The Canadian Marketplace is Efficient and Competitive
http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06766.html

Science and Technology, Knowledge, and Innovation are Effective Drivers of a Strong Canadian Economy
http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06767.html

Competitive Businesses are Drivers of Sustainable Wealth Creation
http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06768.html

Corporate Risk Profile Table

This information is available online at http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06788.html.

Endnotes

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